



Daily Report

Latin America

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25 July 1990

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Coppal Meeting Approves Drug Document

*PY2507022890 La Paz La Red Panamericana
in Spanish 0000 GMT 25 Jul 90*

[Excerpts] The president of the Republic has closed the session of the Permanent Conference of Latin American Political Parties [Coppal], emphasizing that there is a democratic revolution that must be taken into account by everyone.

In about 60 minutes, the chief of state explained the events taking place in Latin America and the changes taking place in the entire world. [passage omitted] A document concerning the issue of the struggle against drug trafficking was approved. This document states that drug trafficking has serious economic, social, political, cultural, and human consequences that threaten the very foundation of society's existence, producing situations that hinder economic and social development.

The document states that the drug issue has created inconceivable levels of violence against the democratic institutions, producing irreparable losses (?in) human and material resources with repercussions for institutional stability.

Both the producer and consumer countries must participate in the struggle against drug trafficking, based on the existence of shared responsibility within the framework of strict respect for the sovereignty and integrity of the states, the non-intervention in domestic affairs and the respect for national legislation and for the regulations contained in international (?legislation).

The document points out that the alternative development strategy requires a system of macroeconomic balance that must create stability and economic growth as well as institutional reforms that will increase the efficiency of the management of [word indistinct] investments.

Nevertheless, at the end of the international meeting, MNR [Nationalist Revolutionary Movement] leaders and members of the drug trafficking commission accused the MIR [Movement of the Revolutionary Left] of having forged the documents (?read) and delivered to the press. [MNR deputy] Ernesto Machicado said that while the commission was still drawing up the document, the MIR presented as a resolution another document (?to the) Coppal that was drawn up without the participation of the representatives of the political parties.

WFTU Latin American Section Begins Meetings

*FL2407155090 Havana Tele Rebelde Network
in Spanish 1130 GMT 24 Jul 90*

[Text] The Latin American section of the General Council of the World Federation of Trade Unions [WFTU] will begin sessions this morning at the Ernest Tillman Hall of the Cuban Workers Federation. Delegations from 23 Latin American countries will analyze the preparations for the 12th WFTU Congress scheduled to be held in Moscow next November. The delegates will also examine the problems facing Latin American and Caribbean workers which have worsened due to the effects of the foreign debt. They will also discuss the problems of poverty, unemployment, and the prospects of the Bush plan for the Americas. All delegations present will participate in the celebration of the 37th anniversary of the attack on the Moncada Barracks on 26 July.

Cuba**Spanish Envoy Goes to Madrid for Consultations***FL2407150190 Havana Radio Rebelde Network
in Spanish 1428 GMT 24 Jul 90*

[Text] Spanish Ambassador to Cuba Antonio Serrano de Haro has arrived in Madrid where he was recalled by his government for consultations and has begun immediate talks at the Foreign Ministry. Serrano de Haro, who was received in the Authorities Hall of the Barajas Airport by (Jago Pico de Cohana), secretary of state for Latin America, did not speak to journalists who were waiting for him. The evening newscast of the primary Spanish television station reported that Serrano de Haro is not expected to grant a news conference although it did announce the possibility that once the consultations have concluded, Spanish Foreign Minister Francisco Fernandez Ordenez will make a statement.

Meanwhile, (Jose Maria Venegas), secretary of the ruling Spanish Socialist Workers Party, described Spanish-Cuban relations as being delicate but he said that there is no reason to be dramatic about it.

Viera News Conference on Embassy Situation**Says Embassies Inciting Unrest***FL2407202090 Havana Radio Reloj Network
in Spanish 1950 GMT 24 Jul 90*

[Report by Lazaro Chang Macate]

[Text] First Vice Foreign Minister Jose Raul Viera Linares has stated in Havana that several European embassies in Cuba are inciting negative Cuban individuals to enter embassy buildings to create a political scandal. In a news conference with Cuban journalists and foreign correspondents accredited to cover the 26 July events, he declared that at this time subversive radio stations are also inciting people to bring about an event similar to that which occurred in May 1980.

Jose Raul Viera Linares specified that the Cuban citizens who have entered the Italian, Czechoslovak, Spanish, and Swiss Embassies are not being persecuted by the justice system nor are they political. He asserted that Cuba has confirmed that these infiltrators must come out voluntarily and unconditionally.

Confirms Immigration Policy*FL2507010590 Havana Cubavision Network
in Spanish 0000 GMT 25 Jul 90*

[Text] First Vice Foreign Minister Jose Raul Viera Linares today confirmed the Cuban Government's emigration policy when he explained the situation caused in several European embassies in Havana. Viera appeared before about 200 Cuban and foreign journalists at the Habana Libre Hotel. They were especially interested in

the future of relations with the countries that are sheltering Cuban citizens in their diplomatic buildings in Havana.

In this regard, the first vice foreign minister stated that Cuba will not take any steps that might harm relations but, he added, neither will we permit ourselves to be pressured. He said that it falls to the authorities of these embassies to find a solution.

On the reasons why Cubans enter embassies, Viera asserted that Cuba has a flow of emigration that the United States encourages on the one hand through propaganda and blocks on the other hand by not complying with the 1985 agreements, according to which 25,000 Cubans could settle in the United States each year. At the same time, he asserted, the Bush administration is making great efforts to isolate our country.

Responds to Reporters' Questions*FL2507014590 Havana Radio Rebelde Network
in Spanish 2318 GMT 24 Jul 90*

[Report by Angela Soto on the "Exclusivo" program; italicized passages are recorded]

[Text] A natural and very journalistic feeling of anticipation surrounded the news conference held today in the Pink Room of the Habana Libre Hotel by First Vice Foreign Minister Jose Raul Viera. The subject was the current situation in our country. The first questions were asked by Spanish reporters about a letter allegedly sent by Commander in Chief Fidel Castro to Spanish President Felipe Gonzalez.

[Viera] *Regarding your question, here it must be said that President Fidel Castro has not sent any letter to the president of the Spanish Government through the Spanish ambassador in Cuba. I do not know where that information came from, but it is not true.*

Many Spanish correspondents also asked about the means our revolutionary government will use to resolve the situation created in the Spanish Embassy in our capital.

[Viera] *I think that it should be kept in mind that Cuba's position on this whole problem of Cuban citizens entering embassies here in Havana has been made public. Cuba has said, and has repeated, that these citizens who have entered the embassies do not have cases pending against them in the justice system, they are not the subject of any kind of persecution—and neither is any other Cuban citizen. Moreover, a Cuban citizen desiring to emigrate cannot be permitted to enter an embassy by force. This constitutes an attempt to allow that citizen's departure from the country in violation of Cuban emigration law.*

If we permitted illegal entry into an embassy as an easier way to emigrate, the embassies in Cuba would not be able to do any work, because anyone who wanted to emigrate—and there are many [words indistinct] in all the

countries of the Third World who are interested in emigrating—if they want to emigrate [words indistinct] enter the embassy illegally.

In answer to a question from a Swiss reporter, Viera reported that at this time there are four Cuban citizens in the residence of the Italian ambassador and three at the Swiss residence, and they will be treated the same as the others. They must leave the buildings voluntarily and unconditionally.

An American correspondent asked a question on the implications this situation could have for the Cuban tourist industry, which is in the process of development. The Cuban diplomatic official responded:

[Viera] *I think your question is very interesting, because it gives an idea of what forces, what interests, are behind encouraging Cuban citizens to enter foreign embassies. Undoubtedly, there is the intention to create an impression of instability. That is why we have struggled, and that is why the people of Havana and of the entire Republic of Cuba have cooperated to maintain the normal continuity of their lives during these days.*

What are the effects of these incidents? The effects that occur around a small number of embassies. But here, as we said at the beginning, the carnival is continuing, plane-loads of tourists continue to arrive, and these tourists are received and having an excellent time in Havana. The efforts by Cuban enterprises and the Ministry of the Tourist Industry [as heard] to establish joint capital companies to increase Cuba's hotel capacity are continuing.

Jose Raul Viera answered several questions about the development programs and projects the country is involved in, and stressed the will on the part of the entire Cuban people to overcome the difficulties.

More on Viera's Statement

PA2507024190 Havana International Service
in Spanish 0000 GMT 25 Jul 90

[Italicized passages are recorded]

[Text] Speaking to over 200 reporters, many of them foreigners covering the National Rebellion Day ceremony, First Vice Foreign Minister Jose Raul Viera has reiterated that the only solution to the incidents at several Western embassies is for the Cubans, who illegally entered those diplomatic missions, to leave them voluntarily and unconditionally. Replying to a Spanish reporter from CAMBIO 16, he said that Spanish Ambassador Antonio Serrano de Haro, presently in Madrid, was aware of that position.

[Viera] *I telephoned Spanish Ambassador Antonio Serrano while he was at the airport, shortly before his departure. I spoke to him to bid him farewell. I think it is known that Cuba's position on the citizens who entered the embassies in Havana has been stated publicly. Cuba has said and reiterated that those citizens are not facing any legal action, nor are they being persecuted for any*

reason [words indistinct]. We will not allow any Cuban wishing to immigrate to another country to forcibly enter an embassy. [Words indistinct] that citizen's departure from the country.

If we admit that unlawfully entering an embassy is the easiest way to leave the country, embassies in Cuba would not be able to operate. Everybody who wants to emigrate, and all over the Third World many people want to emigrate, would illegally enter an embassy. That is why we have insisted that these people are not being politically persecuted or wanted by the law. The illegal entry into an embassy is an unacceptable violation of a country's immigration laws. That is the position of the Cuban Government, and it has been publicly stated in numerous declarations.

Viera explained to the reporter from the Mexican newspaper EL NACIONAL that the developments of the past two weeks in several embassies have a history that goes back further than the incidents that took place 10 years ago at the Peruvian mission.

[Viera] *The emigration of Cubans has been used, since the start of the revolution, as a U.S. weapon against Cuba. Emigration constitutes one of the weapons used by the U.S. Government in over 31 years of anti-Cuban actions. I do not want to give a detailed account of events, but I think we must recall that Cubans were encouraged at first to leave the country. All Cubans were encouraged to leave the country, particularly professionals. That includes the painful experience of Cuban doctors being encouraged to leave, something which constitutes a human rights violation, leaving the Cuban people without medical attention.*

For many years, the United States encouraged the mass exodus of Cubans. Later it changed its policy. That country began to block the regular emigration of Cubans to the United States. An agreement was reached with Cuba to regulate immigration relations between the two countries. The United States was to accept up to 20,000 Cuban emigrants every year. That is the agreement between the two countries. As a matter of fact, that agreement disproves all statements made by the European media that Cubans do not have the freedom to leave the country.

What is happening now? The United States does not grant visas to let those citizens leave. [Words indistinct] while Miami's anti-revolutionary and subversive radio stations encourage the emigration of Cubans. Therefore, those leaving under dramatic conditions are received as heroes, while the United States denies entry visas to those that can leave legally and under normal conditions.

This creates a situation in which citizens of the worst kind, such as [words indistinct] abilities, people who have failed in their studies, and individuals who are not willing to sweat it out, can act like this. This led to the events which took place 10 years ago—the Mariel exodus—and now they are trying to encourage a similar situation. The Cuban authorities have acted very calmly so that Cuban society is not destabilized. We have said that if a country wants to receive all of these outcasts [words indistinct].

After pointing out that Cuba does not want to break relations with any of the countries whose embassies have been illegally occupied by Cuban citizens, he said that the governments of these nations [words indistinct].

[Vieira] *I want to point out that until now all of the governments involved in this situation have said it is not their intention to damage their relations with Cuba, even though there have been some cases in which relations have been damaged. However, to answer your question, I believe we must take a hard look at the matter. We cannot be led to think that Cuba is a [word indistinct] country waiting to receive aid and is willing to pay any price to maintain relations [words indistinct] with other countries. The relations of any country with Cuba must be based on mutual commitments. A mutual decision [words indistinct] for both sides. Both countries should be willing to defend their relations against the intervention of a third country or provocations such as those unleashed here in Havana. No one should expect Cubans to take unworthy actions against their own country. Our country deserves respect and consideration. It is the same respect we show toward other countries. Relations should be based on mutual respect. There should be respect for laws and for the state that exists in Cuba.*

He said that 18 Cubans remain in the Spanish Embassy. Four others are inside the home of the Italian ambassador and three others are housed at the [word indistinct]. He denied there were Cubans at the Canadian Embassy. Finally, he said that the climate of tension and the militarization of Havana only exist on the pages of the newspapers that are sold in Western Europe. [words indistinct] and especially in Havana, the people are enjoying their carnivals and are anxiously awaiting the 26 July events at the Revolution Plaza. This is it for now. Thank you and we will see you later.

Spanish Communists Denounce Embassy Incidents

FL2407144490 Havana Radio Rebelde Network in Spanish 1428 GMT 24 Jul 90

[Text] The Communist Party of the Peoples of Spain has denounced the incidents that have occurred at the embassies in Havana as crude provocations by the U.S. Government. In thinking about those acts which, unfortunately, have implicated the Spanish administration, we say: We are once again with you Cuba!

The message was conveyed to Commander in Chief Fidel Castro and it says: We are certain that the beloved Cuba, proud of the peoples of Latin America, will be strengthened long after the U.S. provocations have ended and that it will continue its firm process of rectification and continuously strengthen its socialism and independence.

Gorbachev's Decree on CEMA Transactions Noted

FL2507123790 Havana Radio Rebelde Network in Spanish 0900 GMT 25 Jul 90

[Text] We begin this news section with a very important report from Moscow. President Mikhail Gorbachev yesterday signed a decree establishing that as of 1 Jan 1991 all USSR transactions with CEMA country members will be made in hard currency at a world market price. The decree also establishes that USSR economic cooperation with developing countries will be carried out based on the principle of mutual interest and benefit. The decree says that aid will be granted in accordance with the real capabilities of the country. According to this document, these changes are essential for the USSR to move toward a market economy, that is, toward a capitalistic economic model.

Castro Chats With Soviet Children at Tarara

FL2407151690 Havana Tele Rebelde Network in Spanish 1700 GMT 23 Jul 90

[Text] Commander in Chief Fidel Castro visited Tarara's Jose Marti Pioneer City Sunday afternoon.

[Begin recording] [Video shows Castro surrounded by a group of children] [Castro] How many days have you been here? [children's response indistinct] When are you leaving? Tomorrow?

[Unidentified child] Yes, tomorrow.

[Castro] You like the ocean a lot, don't you?

[Child] Yes.

[Castro] Isn't the water too warm? What do you think about the water temperature?

[Child] It is good.

[Castro] How are you? [speaking to an interpreter] Ask them. [Interpreter speaks in vernacular and children respond]

[Interpreter] They say they are fine.

[Castro] This child is fine. He looks very healthy.

[Interpreter] He says he is fine and that he likes it here very much.

[Castro] Where is this one from? Is he from Ukraine?

[Interpreter] He is from the Russian Federation, from the Kaluga area. These others are from Kiev, Ukraine.

[Castro] Are you Cuban? This one is darker. Where is this one from? Is this one Cuban? She also looked Soviet. This one is Soviet. Are you from Ukraine? How many Cubans are there in the Pioneer City? One thousand three hundred and fifty seven. And Soviets?

[Unidentified speaker] One thousand two hundred and ninety seven.

[Castro] Including the adults and teachers?

[Speaker] There are 1,158 children and 59 adults [figures as heard] [children chant: Fidel, Fidel!]

[Castro] We are very satisfied in being able to cooperate with you because you have always cooperated with us. You have been very friendly with us. Say hello to all your comrades on my behalf. I hope that you are well and that everything goes fine.

Where did you study? In which university did you study?

[Second unidentified speaker] I studied here in Cuba.

[Castro] Did you study medicine here?

[Second speaker] Yes, I studied medicine in Cuba.

[Castro] In Cuba?

[Second speaker] At the University of Havana.

[Castro] What year did you graduate?

[Second speaker] In 1978.

[Castro] Did you go to the USSR after that?

[Second speaker] Yes, and I am working there now. I am a department head in a hospital. Since they needed people here that know about Cuban customs and

[Castro, interrupting] The language.

[Second speaker] And the language. They sent me here for 60 days and we will see later what happens.

[Castro] They may ask you to stay longer.

[Second speaker] It would be nice.

[Castro] More children will continue to come here. Did your family come with you or did you come alone?

[Second speaker] No. All of us came by ourselves. All the comrades came alone.

[Castro] Sure, but if you stay longer the situation would be different.

[Second speaker] Yes, and frankly the impression we have of Tarara is the best.

[Castro] I am glad. I am glad. [repeats] I believe this is the perfect place. It is much better than many hospitals.

[Second speaker] It has no comparison.

[Castro, speaking to the children] Are you going to More? We are going to wait [words indistinct] Are you Russian or Cuban?

[Child] Russian. [laughter]

[First speaker] She has a tan because she has gone to the beach.

[Castro] Yes, she looks Cuban. How are you? This one looks Cuban. [laughter] How are you? How do you feel? [children respond in Russian] Are you going to More? At what time? At five? Very well. Well, I'll let you go so that you can go to the beach. Many people must be waiting for you. I believe the beach is big there. Congratulations. See you later. [applause]

[Third unidentified speaker] She wants to give you a teddy bear.

[Fourth unidentified speaker] She wants to thank you and the girl wants to give you a gift. [girl gives Castro a cap]

[Castro] Thank you very much. Let's see if it fits. For sure it will not fit. Let's see. [Castro tries the cap on] [applause]

[Soviet child in Russian, with simultaneous Spanish translation] On behalf of the entire Ukrainian delegation I want to thank all the Cuban people, the Cuban Government, and you personally Commander for the aid given to Ukraine. This aid has not been a medical aid alone. This is a very significant morale booster for my people. On behalf of all the mothers and children, we bow our heads before you. Thank you very much. [applause]

[Castro] It is very satisfying for us to be [words indistinct] [applause] We hope that more children will come. There is room for many children here, many more than the ones we have now. I am going to give her my cap. [laughter] [Castro gives his cap to the girl]

[Child] Thank you, thank you very much. [applause] [end recording]

Castro Tours Havana Construction Projects

FL2407203890 Havana Radio Reloj Network
in Spanish 1932 GMT 24 Jul 90

[Text] Commander in Chief Fidel Castro, who is now touring several projects in the capital that were presented today to mark the 26 July anniversary, pointed out the spirit of dedication shown by the construction workers and the people in general.

After visiting the National Retinitis Pigmentosa Reference Center in the Salvador Allende Hospital, Fidel spoke to the members of the contingent who built it. The workers built an adjoining pavilion in record time—49 days—which will expand the installation's services. This is the best possible tribute one can pay to the 26 July anniversary and there is no worthier way of honoring the memory of those who participated in the Moncada, said the first secretary of the Central Committee of the Communist Party of Cuba.

Previously, the leader of the revolution toured the wholesale market [mercado concentrador] in Guanabacoa where he stressed the laborers' work spirit.

In his tour today of the projects inaugurated in the capital, Commander in Chief Fidel Castro described the workers of the Guanabacoa market as the protagonists of a labor feat who completed in record time the fundamental aspects of that project. Work such as this demonstrates the power of the people, of patriotism, and of the revolutionary spirit and awareness, Fidel said.

During his tour of projects in the capital marking the 26 July anniversary, the commander in chief also mentioned the importance of the market and he added that three others are being constructed for agricultural products in other vicinities of the city.

The tour is continuing. It began at the Nico Lopez refinery where the contingent with the same name presented several projects pertaining to this very important industry.

Western Army Declared Ready for Defense

*FL2407140690 Havana Tele Rebelde Network
in Spanish 1130 GMT 24 Jul 90*

[Text] The Western Army has been declared ready for the defense in the first stage according to a disposition issued by Army General Raul Castro, Revolutionary Armed Forces minister, that was approved by Commander in Chief Fidel Castro.

During the inspection the Western Army carried out 1,050 actions including seven tactical maneuvers. The document declaring the Western Army ready for the defense says that the people will enable the entire country to be declared ready for the defense soon.

Bahamas

Government Deports 'Hundreds of Illegal Haitians'

*FL2407165490 Bridgetown CANA in English
1603 GMT 24 Jul 90*

[Text] Nassau, Bahamas, July 23, CANA—Hundreds of illegal Haitian immigrants have been deported from the Bahamas amidst a public outcry for an official probe into the drowning of 39 Haitian "boat people" over a week ago. The Immigration Department did not say how many Haitians were deported on July 20 but Carlo Brutus, the new Haitian ambassador to the Bahamas, said he had received a list of 546 deportees—479 men, 50 women, and 8 children under the age of 18. The Haitians left Nassau aboard the 110-foot freighter Miranda, accompanied by 10 armed Bahamas Defence Force men.

Meanwhile, the Haitian ambassador, the Grand Bahama Human Rights Association, church leaders, and the official opposition have called for an investigation into the July 10 drowning of the 39 Haitians. The Haitians were apprehended in the Exuma Islands by the Bahamas Defence Force and were under tow when their 45-foot

vessel capsized. There were 67 survivors. The 39 Haitians who drowned were buried in a mass grave at Bitter Guana Cay, an island in the Exumas.

Brutus said survivors told him that they were being towed by the Defence Force at an excessive speed when their vessel capsized. He said that in speaking to some of the survivors he was told that the accident was "not normal." Except for a brief statement, the Defence Force has refused to answer questions on the incident.

The Grand Bahama Human Rights Association said it was investigating the drownings, and it urged the government to do the same. Association head, Fred Smith, said the press had not been provided with enough details for the Association to comment on the tragedy. He said the Association was concerned to ensure that the government, through the actions of the Defence Force, did not in any way contribute to the deaths and the destruction of the ship.

Well-known evangelist Rex Major demanded a fuller report of the circumstances surrounding the drownings.

"Such a report should go far to ease tensions which have resulted from the very limited statement made public by the Bahamian authorities. Surely it is a matter of common human courtesy that whenever the loss of human life occurs, relevant and comprehensive reports relating to such loss of life be provided as soon as possible," Major said.

Brutus said he had not yet received an official report on the drownings from the Bahamas Government. The opposition Free National Movement called for an investigation, and urged government to make the results public as soon as possible.

Haiti

KID 'Denounces' Jimmy Carter's Visit This Week

*FL2407153990 Port-au-Prince Radio Metropole
in French 1055 GMT 23 Jul 90*

[Text] The Confederation for Democratic Unity (KID) has flared up against the military assistance for the coming elections in Haiti that has been requested by the executive from the United Nations. KID wonders why the president is asking foreign forces to stand watch over the elections, shunting aside the vigilance brigades. KID reminds the Trouillot government that our country is a sovereign nation, a reminder also made to foreign sectors concerned with electoral matters in Haiti.

KID denounces the visit scheduled for this week by former President Jimmy Carter. KID's leaders call on the population to be vigilant, in view of Jimmy Carter's arrival; and remind everyone that Jimmy Carter influenced the elections in Panama, Nicaragua, and the Dominican Republic.

We remind listeners that the UN General Assembly was to examine last Friday a draft resolution proposed by Haiti, Colombia, and the Bahamas asking the UN secretary general to provide the Haitian Government with technical and administrative assistance for the coming elections. However, at the last minute, Haiti found this project insufficient because it does not specifically mention military assistance. Therefore, Haiti asked the chairman of the General Assembly not to submit this text for study.

Haiti would like to obtain some 50 military observers. This type of assistance was requested by President Ertha Pascal Trouillot in her 23 June letter to UN Secretary General Javier Perez de Cuellar.

Lafontant's Lawyers Communicate With Abraham

*FL2407170890 Port-au-Prince Radio Metropole
in French 1600 GTM 23 Jul 90*

[Excerpts] Roger Lafontant's lawyers have launched a new offensive to prevent the arrest of their client. Attorneys Clersaint, Alezi, and Fevry have written the commander in chief of the Army to demand that the action begun against Roger Lafontant—following the summons to appear, enforceable by arrest [mandat d'amener] issued against him by the Public Prosecutor of Port-au-Prince—be stopped. In this letter addressed to General Abraham, Lafontant's lawyers base their initiative on a court ruling handed down last 12 July by Judge Fougere—who has since been sent into retirement—declaring the Public Prosecutor incapable or issuing warrants other than in cases of flagrante delicto. [passage omitted]

Lafontant's lawyers continue: The general and high-ranking officers of our Armed Forces will understand that, precisely because of their mission, it is both their legal and moral obligation to take all necessary measures to, by guaranteeing the rights and freedom of our client and conforming to the 13 July ruling, safeguard the social peace in the interests of all the members of the Haitian family. [passage omitted]

Port-au-Prince Mayor Ridore Criticizes Judiciary

*FL2407173290 Port-au-Prince Radio Nationale
in Creole 1700 GMT 23 Jul 90*

[Report by Jacob Virgil]

[Excerpts] During a news conference held this morning at Port-au-Prince City Hall, Mayor Irene Ridore drew up a balance sheet of her activities.

[Virgil] [Passage omitted] Many other things were also discussed during this news conference. For example, Mrs. Ridore said she had an arrest warrant for Jean Claude Saint-Louis, but the police have not managed to arrest him. Mrs. Ridore denounced the slow pace of the judiciary in Haiti.

[Begin Ridore recording] The minute you have been identified as a red-armband-wearing thug [reference to the perpetrators of the 11 September 1988 attack on Saint Jean Bosco Church], I have to fire you. In regard to Jean Claude Saint-Louis, there is, however, a warrant here for his arrest. The trouble is that the government authorities are not willing to arrest Saint-Louis. They know very well that he is one of the people who physically participated in the Saint Jean Bosco [attack].

Jean Claude Saint-Louis is currently going about the streets armed with his big gun forcing people to yell: "Long live Lafontant." It is Jean Claude Saint-Louis who is sowing all the terror in the streets. He is heading the team. If they wanted to capture Saint-Louis, they would have already done so. And this, since the day he assaulted... [changes thought] I was told that he assaulted a journalist. Really, since that day.... [presumably addressing someone in audience] It was you? Well, the reason he ran off the way he did is because he had come here for me to pay him, and I told him that yes, I would pay him. I am ready to pay him, because his money is right here, in his pay envelope. I sent, however, for his warrant, which was in my office, so that the soldiers present could arrest him. He was fleeing, and took advantage of the opportunity to do the damage he did. [end recording]

Such were the statements made by Port-au-Prince Mayor Irene Ridore during the news conference held on 23 July. [passage omitted]

AJH Seeks Protection of FADH Commander

*FL2407160590 Port-au-Prince Radio Metropole
in French 1600 GMT 23 Jul 90*

[Excerpts] The Haitian Journalists Association [AJH] has written Herard Abraham, Haitian Armed Forces [FADH] commander in chief, pointing out that small groups nostalgic for the old regime—most of them armed—violently attacked journalists and damaged their equipment in front of the Law Courts as the journalists were covering the Roger Lafontant affair.

The AJH says: This incident, which is not isolated, appears to fall within an overall plan to sabotage certain Port-au-Prince media. The plan includes the physical elimination of certain journalists, who have been listed by name by the small groups in question. [passage omitted] We would be grateful to you, Mr. Commander in Chief, if you would please issue the necessary instructions to the members of your institution to ensure press security and verify that they are strictly carried out. This would serve as a preventive measure, in view of the different verbal threats that have been made against the press as well as against their persons, threats which are, unfortunately, too often carried out. [passage omitted]

El Salvador**Government Repeats Willingness To Attain Peace**

PA2507010290 Panama City ACAN in Spanish
2355 GMT 24 Jul 90

[Text] San Salvador, 24 Jul (ACAN-EFE)—The Salvadoran Government reiterated today its willingness to continue its efforts to attain peace in this country "despite the obstacles" raised in the negotiations with the guerrilla delegation in Costa Rica. El Salvador has been at war for the past 10 years.

In a communique, the Salvadoran Presidency "lamented" that "other sectors," which it does not identify, "are distorting" the issue of the Armed Forces, on which the negotiations have been focusing on in San Jose since 20 July.

"The issue of the Armed Forces was brought up by the government at the meeting in Oaxtepec," Mexico, where delegations of the government of President Alfredo Cristiani and the Farabundo Marti National Liberation Front (FMLN) met on 19-25 June without reaching an agreement on any point.

The official proposal presented at the Mexico meeting entails "qualitative and quantitative advances with regard to the structure of the Armed Forces," the official communique added.

The FMLN delegation has insisted in Costa Rica that the government delegation, headed by Justice Minister Oscar Santamaria, has not presented proposals and instead has just reacted to guerrilla proposals.

"Since the beginning of this process, the government has acted with complete seriousness and responsibility, making specific proposals whose content in form and depth has contributed to reaching agreements aimed at ending the conflict," the Salvadoran Presidency stated.

The official communique added that because of the commitment to maintain confidentiality, which was signed with the FMLN in Geneva, "the government has refrained from giving information about the discussions so as not to hinder the development of the dialogue process." On 4 April, the two sides signed an agreement in Geneva to resume the negotiations.

The FMLN and Salvadoran Government delegations ended the discussion of the Armed Forces without reaching an agreement, and they have begun to analyze a proposal by the United Nations, mediator in this process, regarding human rights in El Salvador. Agreements on this issue are expected.

This round of negotiations, the third since talks were held in Caracas in May, will end tomorrow, and according to political sources, they will pledge to meet again in August, possibly in Costa Rica again.

Col. Vargas on Talks in San Jose, Army Purge

PA2407133190 San Salvador Radio Cadena YSU
in Spanish 0000 GMT 23 Jul 90

[Text] Colonel Mauricio Ernesto Vargas, a member of the government dialogue commission who represents the Armed Forces at the peace talks with the FMLN [Farabundo Marti National Liberation Front], today said in Costa Rica that it is possible that several Army officers may be dismissed. However, he added, that is not the most important issue. Vargas expressed satisfaction over the development of the talks, and said he is eager about the resumption of the peace process.

Interviewed by journalists, the chief of the 3d Infantry Brigade, stationed in San Miguel, referred to the purge and reorganization of the Salvadoran Armed Forces, saying this is a situation that entails the modernization and evolution of the Army and not of the disruption of military structures.

[Begin recording] [Vargas] The government has emphatically responded to the FMLN demands.

[Reporter] Did they react favorably?

[Vargas] I think so, for the time being.

[Reporter] [Words indistinct] in this round of talks?

[Vargas] We hope so; that is our desire.

[Reporter] Col. Vargas, are you satisfied with the development of the negotiations?

[Vargas] Thus far, yes, but perhaps I am a little eager to have things work out quickly.

[Reporter] Colonel, the FMLN yesterday said there had been a retrogression toward the right with regard to the position the government has maintained thus far. What is your opinion?

[Vargas] I respect other people's opinions. I believe there has been no retrogression, but there has been progress. If this is their opinion, we have to respect it.

[Reporter] How many points are included in the proposal you have presented?

[Vargas] I cannot give [words indistinct].

[Reporter] What is the main element of the proposal?

[Vargas] It is a response to the FMLN proposal in Oaxtepec.

[Reporter] Does the proposal accept the principle of a reorganization of the Armed Forces?

[Vargas] That has not been accepted, but it has been proposed.

[Reporter] What about the principle to purge all officers?

[Vargas] All elements have been taken into consideration in our proposal.

[Reporter] Does that include the purge? In what sense, and under what terms?

[Vargas] [Words indistinct].

[Reporter] That is what I mean, we are not going to write a report you will not approve of.

[Vargas] No, it is a reorganization [words indistinct] a professionalization and modernization of the Armed Forces. The concept of purging means a cleaning up and improvement of structures, individuals, and institutions, to get the highest [words indistinct]. We do not understand the cleaning up as breaking a structure, but instead as the evolution and modernization of the structure. We are making some progress in this regard.

[Reporter] For example, you do not understand a purge to mean retiring some officers?

[Vargas] That could be true in part, but it is not necessarily the essence of a cleaning up. [end recording]

During the three days of sessions the delegations have been holding here in San Jose, they have discussed the Armed Forces issue. However, according to the position of some participating in the talks, it will be very difficult to reach spectacular agreements. The talks continue today, on the afternoon of Sunday, 22 July, over the military topic. According to the comments made by Alvaro De Soto, [UN secretary general's representative] the upcoming meetings will be about this same topic, but other political topics will also be included. This afternoon, the climate for the two parties is one of work, and it is anticipated that today's session will end at night.

Speaks on Armed Forces, Dialogue

PA2407224990 San Salvador Radio Cadena YSU
in Spanish 1730 GMT 24 Jul 90

["Excerpt" of news conference by Colonel Mauricio Ernesto Vargas, commander of the 3d Infantry Brigade in El Salvador, with unidentified reporters in San Jose, Costa Rica, on 24 July—recorded; broadcast in progress]

[Text] [Vargas, broadcast in progress] ...for the solution of the conflict, that we accept the use of force, but the force of reason, and not brutal force; and that at this time, if our goal is [words indistinct] they can use force, but the force of reason. They should not come here with threats of continuing the war and so forth, because reason should prevail and the most reasonable will be the victors. I do not think that this is a matter of winners and losers. I believe that truth should prevail and that finally our people will attain the peace they want. Honestly, I am bewildered by the climate of threats, which will lead nowhere. The process itself, as an instrument, is difficult. I honestly feel that creating such a climate is negative.

I would like to reiterate something that I had mentioned before. The process is seen by us and the Armed Forces

as a possibility to attain peace at the lowest possible social cost. However, this does not mean that we will stop defending the institution, order, or the Salvadoran people's rights.

[Reporter] In case they decide to continue the war, what possibilities do you think the FMLN [Farabundo Marti National Liberation Front] would have?

[Vargas] I prefer not to make any predictions in that regard; I do not like to speak in victorious terms. However, I would like to tell the Salvadoran people that we are willing to shed the last drop of our blood in defense of our country. History will determine who is right and who is not. In the long run, someone will have to pay the cost, and we still do not know the total cost or if we can pay it, because...

[Reporter, interrupting] Has the Army estimated the cost of the November guerrilla offensive?

[Vargas] Well, the intentions were clear. The FMLN tried to launch an insurrection to take over power. The facts are there. The social cost was very high and the people are still suffering.

The Armed Forces, the government, and the democratic process continues to consolidate, and the Armed Forces continues to assist in the consolidation of that process. Who is against that process? People can see for themselves. Who began the democratic process in 1979? The people know. Who defended that process and the new guidelines of a new democratic process that emerged with the 1982 Constituent Assembly? Who defends that process? The Armed Forces. Who attacks it? Let the people judge. In 1990, despite the skepticism of many, which people are really really showing that they are working toward the real consolidation of the process? The democratic forces and the government. Who continues attacking and threatening the process? Let the people judge.

Therefore, I believe that the offensive had a cost, which I believe that the FMLN should assess.

[Reporter] You were asked a few days ago about retiring some military officers as part of the negotiations. You said that this could be a part of the negotiations, but that it was not a substantial part. Could you give us more details on this?

[Vargas] Yes. First, I did not say that this could be the result of the negotiations. I said that all subjective factors do not have a real value. The president, as commander in chief of the Armed Forces, has the right to authorize the administrative work that he believes is necessary. The purging of armed forces is permanent. At a given time, the subjective matters at the negotiating table are not the important ones because the people and you can ask the following question: Is peace really based on this? I have my doubts about this.

I believe that peace is a greater concept that does not depend on the individual actions of people. I believe it is

a harmonic and coherent whole that cannot be divided into parts, because then we would be making a mistake. I believe we have to look at the whole picture and not look at individual parts. The process by which soldiers are recruited, retired, promoted, and demoted is permanent. It takes place every 30 days and is done according to the requirements of the service.

[Reporter] What do you think about the request made by the guerrillas to dismantle the security bodies?

[Vargas] Well, one thing is...[changes thought] we have talked about a reorganization. We have talked about a modernizing and an evolution of the entire process. We believe that the process to dismantle these bodies is not the best. We believe that the road to peace is a long and difficult one that needs short, medium, and long-term measures. We believe that the reorganization of these bodies under civilian rule, just as they have requested, will not lead to any major problems.

[Reporter] [Question indistinct]?

[Vargas] A new army has existed since 1979. The institution is more professional. There has been a change of mentality and attitudes. We hope to have an institution that can be more in tune with the interests of a democratic society. We hope to have an armed forces that will perform the proper functions, to avoid performing duties that it should not. We hope to be subordinated to civilian rule and to the constitutional president, who was legitimately elected. We hope that as an institution we can be at the service of the economic, political, and social aspects of the government. We hope to have a democratic Armed Forces based on the interests of each Salvadoran citizen.

FMLN Commander on Talks, Army Changes

PA2507010390 San Salvador Canal Doce Television in Spanish 0300 GMT 24 Jul 90

[Italicized passages are recorded]

[Text] FMLN [Farabundo Marti National Liberation Front] Commander Salvador Guerra said yesterday in Chalatenango that there are possibilities of attaining a cease-fire before the end of the year. According to the guerrilla chief, the FMLN went to Costa Rica seeking the minimum agreements needed to end the war.

Salvador Guerra is the FMLN's highest ranking military leader in Chalatenango Department and as such is also one of the top FPL [Farabundo Marti People's Liberation Forces] leaders—the most political group of the five comprising the FMLN. Yesterday, in exclusive statements to the "Up to Date" newscast, he said it will be very difficult to sign a peace agreement before the end of 1990, but he appeared optimistic about a cease-fire.

[Guerra] *We believe that we may reach a cease-fire this year. This is what we have been able to perceive from the*

government but we do not believe they are unwilling to go any further. The FMLN wants to end the war as soon as possible.

He also said that the FMLN representatives at the negotiating table traveled to Costa Rica seeking minimum agreements. According to the rebel commander these are: ending their Army's impunity and beginning an immediate purging process, followed by a reeducation or dismantling of the Armed Forces.

[Guerra] *We have basically proposed a reduction in the percentage of officers and trials to end the impunity. There is a need for trials in the cases of Monsignor Romero, the Jesuits, Hector Oqueli, and Fenastras [Salvadoran Workers National Union Federation].*

At this meeting we have noticed that the Army problem has produced a big conflict, so let us not analyze the whole issue—let us analyze it little by little. Let us first look at purges and impunity and later we can analyze the reduction of the Army and its dissolution.

We have a flexible position to try to find, as soon as possible, at least a political agreement aimed at establishing a cease-fire.

Salvador Guerra did not specify what the FMLN wants. Is it the dissolution of the Army or is it an Army reduction? However, he did say clearly that the FMLN is convinced that there is no room for war in the country.

[Reporter] [Words indistinct] time for peace in El Salvador?

[Guerra] *We are sure of that. However, there are important reasons for the situation of the Salvadoran people. When we say that we have to change, we are referring to the changes that the government and the Army have to make, to the changes that the social and political forces are demanding, and to the changes the FMLN has to make to begin rejoining the country's political life.*

FMLN Commander on Government Positions

PA2507014290 San Salvador Radio Cadena YSU in Spanish 1730 GMT 24 Jul 90

[Text] This is a noon report on developments at the talks between the Salvadoran Government and the Farabundo Marti National Liberation Front [FMLN] here in San Jose, Costa Rica. After the government publicly unveiled its proposal to the Salvadoran guerrillas regarding the Salvadoran Armed Forces, the FMLN held a news conference a few minutes ago to report their response to the government delegation. FMLN delegation member Jorge Shafik Handal said the Salvadoran Government has submitted a proposal whose only foundation is a negotiation within the framework of the Constitution, and, since it is like this, it is impossible to negotiate.

It was reported here that the government's proposal, called Role of the Armed Forces Within a Democratic System, entails amnesty for guerrillas and all political prisoners, the establishment of a military court of honor,

the transfer of several police corps, including the National Police and Treasury Police, and the disarmament of the Civil Defense Patrols. This last point is to take place after the FMLN signs a cease-fire agreement. In addition, the proposal says that compulsory recruitment will end when hostilities cease.

Another point contained in the government proposal is an amendment to the law on honesty and unlawful enrichment, making it applicable to soldiers. This morning, the guerrillas outlined some answers given to the government delegation on these points. Jorge Shafik Handal explains this situation.

[Begin Handal recording, in progress] ... has published a proposal, stressing some points. Since they disclosed this document to the public, we are commenting on it. We had refrained from direct comment on the document. This document contains 33 points, but only nine of them refer to the issues we brought up. They do not respond to but, rather, refer to them. In most cases, the implicit answer we get is: No. It is no. A set of proposals out of the 33 points deals with general aspects that have nothing to do with the negotiations and do not make any specific proposals.

To cite an example, point one talks about outlining the functions of the Salvadoran Armed Forces within democratic society and analyzing its mission within the framework of the balanced development of society. That is nothing; that is like praising, as I said yesterday, the beauty of flowers, their perfume, their virtues as ornaments. This is not a matter that is to be discussed, eliminated, or included. A third set of points states certain laws or regulations are under consideration. Their content is not mentioned nor are they made subject to the negotiations.

However, nine of these points refer to the topics we are interested in, but do not give an answer. They are just mentioned. I am going to explain what the government's answers are. For example, we proposed the dissolution of the Atlacatl Battalion, because of its history of crimes in the country. We proposed that it be dissolved. Then, how do the government delegates refer to the topic? They do not refer to the Atlacatl Battalion but to the five immediate-reaction infantry battalions, including the Atlacatl Battalion. What are they saying? They are saying these battalions will be under the permanent control of the brigade commanders. Right now, the immediate-reaction battalions are under the control of the general staff, and they will be transferred over to the brigade commanders—namely, the brigade chiefs, who are also the chiefs of the military regions. With respect to our proposal, we understand that they are telling us: No. They are also saying something that is even more serious.

They are telling us the following: You are proposing a package of measures that first seeks to decrease the supremacy of the Armed Forces over civilian society and rule and to later abolish it completely. And we are telling you that we are going to strengthen the chiefs of each

region and will give them more military power. On the average, these battalions have over 1,000 soldiers. Strictly speaking, these are not battalions but brigades. Moreover, these are special elite battalions. They are telling us: We will reinforce them so that these chiefs will have even stronger and more absolute authority in their regions.

In the face of the major issues of the militarization and subordination of the Armed Forces, which go first and are followed by the topic of their dissolution, they are telling us . . . [changes thought] Let us talk of the issue that deals with the subordination of the Army to civilian rule and society. They are telling us: No, and if you do not like to drink chocolate, here, have two cups. That is what they are telling us here.

This constitutes a step back from Oaxtepec, Mexico. In Oaxtepec, the government delegates pledged to come closer to our position. But, that is their way of answering. Another, quote, answer, unquote, we get from them is this. They are telling us: We are proposing to dissolve the security corps and to establish a civil police that is completely reoriented and headed by a director named by consensus. With that they are telling us is that they will not go back on Oaxtepec. At least on this matter, they did not go back, but kept their position, although they had promised to move closer to our position.

So they are telling us the Treasury Police will be transferred over to the Treasury Ministry, the National Guard incorporated into the Defense and Public Security Ministry, and the National Police into the Interior Ministry. We are proposing their dissolution. We are also proposing that whatever remains of the National Police to be used as the basis for the establishment of a new police force should be purged as well. And so they did not respond but repeated past statements. It is not true that they are bringing answers closer to ours. All these remarks about us being closer today than ever before, and who knows what else, is war propaganda stuff.

For example, they say: On the problem of purging the officers' corps.... [changes thought] We submitted a specific proposal. We kept that proposal under the utmost confidentiality to make it work. But now they are submitting.... [changes thought] They are forcing us to talk about it today because they are playing with this matter. We told them: You draw up a list and bring it so we can discuss it under the utmost confidentiality and secrecy. We wanted a list of those officers who were going to be removed from the Armed Forces. We were not even asking that they be jailed; we just wanted them out, deprived of their command, and without subordinates. What answer do we get? They are saying they will establish a permanent military court.

In an excessively repetitive speech, the government delegates say the armed institution is undergoing a constant purge, that it has its legal mechanisms, structures, and procedures to conduct purges, and that it is constantly being purged.

Now they tell us that they are going to create one more organization, which will be called the Court of Honor. However, they said that this was their own business so they did not need to negotiate it with us. We told them that if they wanted to create the Court of Honor or any other thing they wanted, that was their problem. However, we wonder what they are going to negotiate with us when we go to the negotiating table. What will be their answers to our proposals? We expect the government delegation to say yes, no, or maybe, or perhaps propose an alternate project of negotiations with us. They cannot create this type of situation any time they want to. They had even taken their time to do this.

We have told the government representatives that if they had made these proposals 10 years ago, before the civil war broke out, maybe they would have helped prevent the conflict. However, today we are negotiating a war that already exists and in which many people have died. The Armed Forces have shown their criminal and cruel behavior during the war. They have violated human rights and have perpetrated horrendous crimes. This cannot be forgotten.

If you argue that the Armed Forces are being constantly purged, we have the right to ask that it be completely dissolved. If the Armed Forces, which are constantly being purged, are perpetrating so many crimes, this means that it should be dismantled altogether. There is no use in having such an Armed Forces. This is the response that we get from the government delegations on the issue of purging the Army.

Regarding the issue of the infamous National Intelligence Directorate and its role in our country as the continuation of Ansesal [National Security Agency of El Salvador], which was formed with the participation of Major Roberto D'Aubuisson, there was another organization before Ansesal. It was created by the so-called National Intelligence Center and it was called Medrano [not further identified], which grouped together the persons who promoted the dirty war policy in El Salvador, which was waged in the 1950's and also later in the 1960's when this organization was founded. [end recording]

This is the fifth day of negotiations, and it seems the talks started out amid tension and large differences in the positions adopted by both parties.

The guerrillas have stated that the government's position does not allow them to grant concessions and that the government is handling the talks in a propagandistic fashion.

Meanwhile, now the government delegation has said that there is the possibility of reaching agreements. Upon referring to the determination of the guerrillas to reach agreements, Justice Minister Oscar Santamaria said this morning that the ball is now in their court. However, it is important to stress that although the positions adopted by the government and the guerrillas differ in many respects, they agree on the possibility of reaching a consensus on some issues.

According to both delegations, which are currently meeting, today's discussions will also deal with respect for human rights.

Arena's Calderon Calls for Purge of FMLN

PA2507030590 Panama City ACAN in Spanish
2225 GMT 24 Jul 90

[Text] San Salvador, 24 Jul (ACAN-EFE)—The ruling Nationalist Republican Alliance (Arena) asked today for a "purge" in the leadership of the Farabundo Marti National Liberation Front (FMLN), simultaneous with the one the rebels have asked for in the ranks of the Armed Forces.

Arena President Armando Calderon Sol said that if the guerrillas are asking for the Armed Forces' officers presumably involved in human rights violations to be purged, "one must also ask the FMLN why it does not eradicate those sick psychopaths (rebels)."

"We must ask the FMLN: What about the assassins who place bombs, the assassins of children, the assassins of the Salvadoran people? Why don't we purge and eradicate the psychopath commanders?" Calderon Sol, who is also mayor of San Salvador, said.

Delegations of the government and the guerrillas met for the fifth day in San Jose, Costa Rica, under UN mediation, to discuss the future of the Armed Forces and human rights. No progress has yet been made on the first point, although some has been made regarding human rights.

Calderon Sol said the Costa Rica meeting "must not become biased" by only demanding a purge in the Armed Forces, which is formed by "men who have defended the institutions of a democratic process."

"We want to be clear: Why isn't there talk in the meeting about the FMLN psychopaths who have committed killings?" the Arena president said, adding that the institution of the Army "is non-negotiable."

"We have said we will not negotiate the institution of the Armed Forces because it cannot be negotiated," he stressed.

Nevertheless, Calderon Sol said he hopes "progress" will be achieved at the Costa Rica meeting regarding human rights, a point that was brought up today by the United Nations.

"I have faith that much progress will be achieved on this topic, and I hope agreements will be reached because we have signed international agreements in this regard and our Constitution protects human rights," he said.

Justice Minister on Main Points of Dialogue

PA2507041890 San Salvador Radio Cadena YSU
in Spanish 1200 GMT 24 Jul 90

[Text] Justice Minister Oscar Santamaria, the official spokesman for the government's delegation, has stressed

that the subject of the cease-fire should be discussed beforehand in order to prevent last-minute problems.

According to Santamaria, there are many coincidences in the proposals made by the Farabundo Marti National Liberation Front [FMLN] on aspects dealing with respect for human rights.

However, this afternoon [23 July] FMLN delegates were skeptical regarding the possibility of reaching agreements during the round of talks currently taking place in San Jose, Costa Rica. They said that the government's position has been somewhat inflexible.

The government delegation, though, disagreed with that statement, saying that the climate is favorable for reaching small political agreements that could lead to a cease-fire.

Here is a statement by Minister Oscar Santamaria regarding the electoral process, which at the request of the Salvadoran Government will be discussed over the next few days.

[Begin Santamaria recording] Both topics are of great importance. The subject of the elections is closely related to an event that will take place in March 1991, when there will be elections for mayors and deputies. Elections that have taken place in the country have been affected by the violence, particularly the violence resulting from the armed conflict.

All the Salvadoran political parties hope that the next elections will be normal and free from the intimidation and fear that has characterized the six previous elections. We have had six consecutive elections, and the next one will be the seventh. This is also a very important step in the strengthening of the Salvadoran democratic process. As you all know, El Salvador has initiated a new democratic phase, and of course that democratic phase is consolidated with a very important factor: elections.

Therefore, we, and particularly the Salvadoran Government, want to incorporate the electoral subject on the agenda. The government has implemented mechanisms—such as the participation of political parties in an interparty commission. This commission has been conducting in-depth discussions on electoral matters. The government has agreed with the commission to acknowledge all the accords reached by consensus within that commission and to present them at the dialogue.

We do believe it is necessary to discuss the subject of the elections at this time. We could also say that the timetable we have approved to discuss the Caracas agenda is related to the electoral process, because the electoral process is scheduled for March 1991, and consequently, the calendar mentions the end of the process by March 1991. Regarding the end of the armed confrontation, which is of the utmost importance for the country's life, undoubtedly it would be a reply to a generalized hope of all Salvadorans. Based on the current situation and

future expectations, it is believed that a cease-fire agreement could be reached by mid-September. The cease-fire is a very complex matter, which cannot be left for the last moment. In any event, we feel that it should not be postponed and discussed last. We believe that because of its complexity and special characteristics, the cease-fire should be discussed right away. There is another important aspect. The signing of a cease-fire agreement would be a reply for all the Salvadoran population, as I mentioned before. The greatest hope—this has been expressed not only once, but on numerous occasions by various Salvadoran sectors—is to put an end to violence. One way to end the violence is to stop the fighting, something which includes not only ending the armed fighting between the warring sides, but ending those actions that violate the rights of civilians, because they have greatly suffered from all the acts of violence that have taken place and affected the majority of Salvadorans. In incorporating this topic we are reflecting the yearning and aspiration of the people for a clear indication that at this stage of the process we are heading toward peace or that we are guiding the process in that direction. We cannot think that after 10 or 11 years of conflict the peace process will take just as many years or just about that many years. It is quite the contrary. We believe that at this stage of the process a response in that direction becomes necessary. That is why incorporating this topic is fundamental, decisive, and key within the effort we are undertaking to achieve peace in El Salvador. Also, I would say that at this point we discussed an important and fundamental issue—that is, everything that deals with human rights. As for the framework of human rights, where the sides introduced their proposals, we found a great deal of rapprochement and points of concurrence.

Hence, and because this is a matter of great importance for the international community and since the United Nations is present through its mediation, the sides deemed it appropriate for the UN mediation to make some contributions in this field. That is why, among the issues that we may be able to review in Costa Rica, we will try to become familiar with what the United Nations has to say on the matter, as well as aspects the sides may bring to the attention of the mediator. After the sides review this aspect, we may find many elements that may serve to reach agreements within the framework of human rights. I could also say that this topic is of the utmost interest to the Salvadoran Government. From the moment the Salvadoran Government took office last year it defined a great part of its policy on this topic. The Salvadoran Government based its government platform on three principles, out of four, that are related to human rights: respect for the law, respect for liberty, and respect for security. [end recording]

Tomorrow, there will be hard work at the negotiating table, as it was reported today. The topic of human rights will likely be discussed, because of the impasse reported by the guerrillas on the topic. Also, Justice Minister Santamaria has ruled out that that topic is stalemated,

and has noted that discussions on it have continued. UN Secretary General Representative Alvaro De Soto said there was no impasse, as the sides continued their discussions on it. For the time being, though, the topic will be set aside to begin broad discussions on respect for human rights. The United Nations and the government and FMLN delegates have made their own proposals.

Nicaragua

Official Denies U.S. 'Pacification' Role

PA2407222990 Hamburg DPA in Spanish 1817 GMT
24 Jul 90

[Text] Mexico City, 24 Jul (DPA)—Mariano Fiallos, president of the Nicaraguan Supreme Electoral Council, has said in Mexico that it is inaccurate to say that the United States has contributed to the pacification of Nicaragua, because that was achieved by the Nicaraguans themselves, with the support of the Latin American and European countries.

On the contrary, "over the past few years, the United States has contributed very intensively to a war of aggression" against Nicaragua, Fiallos said during a forum on U.S. foreign policy toward Central America that was inaugurated in the Mexican capital yesterday.

The top official of the Nicaraguan electoral system denied, on the other hand, that the recent social unrest in his country, including a general strike which virtually paralyzed the Nicaraguan economy, is an indication that President Violeta Chamorro's conservative government is crumbling.

To the contrary, according to Fiallos, the Nicaraguan political system is being consolidated and is heading toward a period of peace.

Government Minister on Foreign Advisers, Drugs

PA2407214690 Panama City ACAN in Spanish
1920 GMT 24 Jul 90

[Text] Managua, 24 Jul (ACAN - EFE)—Nicaraguan Government Minister Carlos Hurtado denied today that Spanish or Venezuelan advisers are working in his ministry. He also revealed that drug trafficking has increased in Nicaragua's Atlantic coast region.

In a news conference, Hurtado said that as a result of technical cooperation agreements with Spain, Nicaraguan police personnel will travel to Madrid and Spanish experts will come to Nicaragua to give training seminars for the policemen.

Hurtado said Spanish material aid is expected to arrive for the training of rural police and other kinds of police needed in the country.

The minister explained that a group of Venezuelans is also in the country to provide security services for President Violeta Chamorro. They were sent by President Carlos Andres Perez.

Hurtado also said that experts of the U.S. Drug Enforcement Administration (DEA) will "soon" train the Nicaraguan policemen who will fight drug trafficking in the country.

The Nicaraguan official said that "a relationship, which entails exchanging information, has been begun" between his ministry and the DEA.

Hurtado said the Nicaraguan Government Ministry also expects to receive material aid from the DEA to train the personnel in charge of fighting drug trafficking.

The government minister disclosed that drug trafficking has increased in Nicaragua's Atlantic coast region in recent weeks, although in "small amounts" coming from the Colombian island of San Andres.

Since Violeta Chamorro took office on 25 April, the Nicaraguan authorities have seized approximately 600 kg of cocaine in various operations in the country's northern, western, and Atlantic coast regions.

Hurtado attributed the beginning of drug trafficking in Nicaragua to the fact that the country has passed from a situation of war and of "police control" to an "open society," which permits greater opportunities for turning the country into "a springboard for drug trafficking."

The official said the Managua government views the drug problem as a priority to which it will allocate many resources for its solution. He added that it is a problem that "equally" affects all the Central American countries and Panama.

Police Recover 10 'Redeye' Missiles

PA2407222090 Mexico City NOTIMEX in Spanish
1930 GMT 24 Jul 90

[Text] Managua, 24 Jul (NOTIMEX)—Government Minister Carlos Hurtado confirmed today that the Nicaraguan police have found in the southeastern region of Nicaragua 10 surface-to-air missiles that the U.S. Government had delivered to the contras.

Seven of the "Redeye" missiles were inside containers hidden underground near the town of El Almendro, 220 km southeast of Managua. The other three missiles were found in the city of Rama, approximately 200 km east of this capital.

Hurtado said that the recovery of the missiles was possible thanks to the information secured by the 5th Region Police and the local El Almendro Police Department.

The contras, who fought the Sandinist Government for nine years, received "Redeye" missiles from Washington to counteract the fighting capability of the Soviet helicopters of the Air Force during the Daniel Ortega administration.

As part of the demobilization process, the contras last month delivered 62 of those missiles to the UN Observer Group in Central America [ONUCA]. Prior to this, in the camp of Yamales, Honduras, they had delivered another 50.

Hurtado said during a news conference with foreign reporters that "these missiles are going to be delivered to ONUCA for their destruction."

Hurtado, who has been accused by government sectors of "not exercising" absolute control over the police, referred also to the increase in drug trafficking activities in the country since Violeta Chamorro assumed power on 25 April.

Last month, the police seized 320 kg of cocaine, valued at \$15 million, when a small plane that had flown from Colombia landed in Nicaragua on its way to a field on the Mexican-Guatemalan border.

Two Colombian citizens were arrested and the drug, whose final destination was the United States, was destroyed.

Hurtado stated: "We cannot discard the possibility that there are drug trafficking organizations here and that there are more threads to this than the initial investigations have revealed. The increase in the traffic of cocaine has been especially notorious."

He said that this increased traffic could be due to the fact that "Nicaragua has ceased being a country at war, and under very strict political and police control to become a much more open society."

"This opens up greater possibilities for the use of the country as a springboard for drug trafficking. The battle against this activity is and will continue to be a priority for this government," he indicated.

He said there are contacts with the U.S. DEA at the level of the exchange of information, and in the future the contacts will be expanded in the areas of training and material aid to fight drug trafficking.

Hurtado also referred to the investigation of the attack on the anti-Sandinist Radio Corporacion, whose retransmission installations located in the outskirts of Managua were blown up on 11 July.

"Five people were arrested because of various accusations, but to date there are no important clues to show they were involved," he added.

"Those making the accusations have not presented testimony or evidence to prosecute these people, and therefore they will be released soon," Hurtado said.

CPT Holds 22 July March To Support Chamorro

PA2407135890 Managua Domestic Service
in Spanish 1300 GMT 23 Jul 90

[Text] The Workers Permanent Congress [CPT] held a march on Sunday, 22 July, to express support for the government of Mrs. Violeta de Chamorro. The CPT is composed of four labor organizations formed by approximately 150,000 agricultural, construction, and textile industry workers. Along with the 14 parties of the National Opposition Union [UNO], the CPT played an important role in the elections that brought the president to power.

Leaders such as Eli Altamirano of the Communist Party of Nicaragua, Gustavo Tablada of the Socialist Party of Nicaragua, Agustin Jarquin and Duilio Baltodano of the Social Christian Party, and Guillermo Potoy of the Social Democratic Party participated in the event held in eastern Managua.

The CPT leaders demanded that the government fulfill the national salvation administrative program, implement a national agreement, and establish wage increases in line with the percentages given to government workers. They said that the 20-, 60-, and 43-percent wage increases approved in recent months for government workers should also be granted to the private sector workers. The CPT leaders also announced that a draft labor code will soon be submitted to the National Assembly to replace the current labor code, which is obsolete.

Alfredo Cesar Criticizes Godoy's Actions

PA2407233490 Managua BARRICADA in Spanish
21 Jul 90 pp 1, 4

[Text] National Assembly Secretary Alfredo Cesar has strongly criticized the defiant attitude that Vice President Virgilio Godoy has assumed by creating the so-called "Front for National Salvation" even though it has been publicly disavowed by President Violeta Chamorro.

"Everywhere in the civilized world the vice president owes allegiance to the president, and that is the way things work. Only in Nicaragua does one see cases in which the vice president—who agreed to play the role of a subordinate to the president—promotes actions against the government's will."

"The president said expressly and openly that she rejected the 'Committee for National Salvation,' but the vice president has maintained his defiant attitude. A situation like this would not exist in a civilized country. However, we will have to endure this type of problem in Nicaragua as part of our training in democracy."

The legislator, who is one of the most influential politicians in the government, asserted that, "basically, the Nicaraguan people are the ones who have to learn whom they are dealing with. Every political leader shows what he is to the public. In

my opinion, the people will pass judgment on this person, who is showing no allegiance to the president after having agreed to play a subordinate role."

Godoy heads the Front for National Salvation, which has been organized on the basis of the territorial organization of the UNO [National Opposition Union] during the last election. It has been learned from Godoy's close aides that the goal of his organization is to take advantage of the UNO's social forces and to make them clash with Violeta Chamorro's government.

Aside from organizing the political structure disavowed by Chamorro, Godoy and other leaders of the so-called Front for National Salvation have stepped up their public attacks against Mrs. Chamorro's top aides, prompting political observers to describe the situation as the beginning of an "open war for power."

In recent statements to the Mexican newspaper EXCELSIOR, Godoy said in a defiant tone that the Civic Brigades of National Salvation were being created "to back" the government in view of the "rebellion of the Sandinists, who want to sow anarchy and co-govern, something we will not tolerate."

"I have never tried to deal a technical coup, as said by Lucio Jimenez [president, Sandinist Central Organization of Workers], who does not even know what that means," Godoy said, thus disparaging the labor leader.

Godoy admitted to EXCELSIOR that he has disagreements with President Chamorro's chief advisers, Antonio Lacayo and Alfredo Cesar.

"I do not agree with their viewpoints because they introduced into Nicaragua an idea that I openly fought throughout the election campaign. This idea was that if the Sandinist National Liberation Front [FSLN] won, we would recognize their victory and that we would share power with them if we won. I asked: why? One does not share power."

"Cesar and Lacayo have had this idea of sharing power for a long time because of their business, political, and even family ties with the FSLN. Joaquin Cuadra, chief of the Army General Staff, is Lacayo's cousin and Oswaldo Lacayo, third chief of the General Staff, is Lacayo's cousin."

Godoy insisted on continuing along the collision course with the government, pointing out that "in view of the anarchistic and chaotic tendencies, which are affecting all sectors in the country, we say: We will not tolerate it. We are going to call the people to the streets to show that they advocate order and respect for the Constitution and the laws."

Talking with BARRICADA, Cesar said that there is no agreement to co-govern with the Sandinists, and he accused Godoy of assuming false positions. "The only agreement between Lacayo, who headed the transition

team appointed by Chamorro, and the Sandinists' government team was the transition protocol, which has been public knowledge since the very day it was concluded and signed."

Openly referring to Godoy, Cesar said: "Obviously, the protocol includes some matters that are not palatable to some politicians. Nothing has been hidden. Everything has been laid out on the table for the people to see, and there is no other agreement. Besides, I did not even sign that agreement because I was not a member of the transition team; therefore, that statement is false."

Cesar added: "What is indeed true is that the president of the republic decided—and I have been backing that position—that we will be entering a new era here in Nicaragua that will be entirely different from earlier ones and that that era, which she describes as democratic, involves practicing tolerance among all sectors of the nation's mainstream and not repeating what previous governments did; that is, to leave the loser finished and without a chance."

"If some people wish to give a co-government connotation to what actually represents the opposition's right to a political role—a right that the Constitution guarantees and the government confirms—they are completely wrong."

Take Costa Rica, for instance, he stressed. "Would anybody say that the opposition and the government are co-governing there? If anybody wants to give this that connotation, it is apparently because—since we had no democratic tradition in Nicaragua—some politicians find it easier to depict as negative something that is normal practice in all democracies in the world."

Using the United States as an example, he said: "It would not occur to President Bush to present a bill on a matter of national importance without first talking with the Democratic Party, which is his opposition party. It does not occur to him because democratic practice in any country in the world demands that the government take into account and give some political room to the opposition. That is part of democracy."

"There is a total conviction that we are heading toward a democratic era, not toward something else, during which the opposition is entitled to assume a political role and to have its views taken into consideration."

Cosep [Higher Council of Private Enterprise] President Gilberto Cuadra also stepped up his attacks against President Chamorro after he teamed up with Godoy to form the "Front."

Cuadra made statements to EXCELSIOR and said that there is a power vacuum in Nicaragua, describing Chamorro's government as "only superficial and used as a figurehead by the Sandinist group."

He made it quite clear that the Cosep is not supporting Chamorro, contrary to the stand held by Godoy, who said he will support her only if "she adheres to the

government plan." He said: "To begin with, there is a tangible thing, which is the government plan. If she follows the government plan, she will have the support of the independent labor unions, the UNO political parties, and the private sector."

"She will not govern in the same degree that she fails to lean on these three groups," he said.

Cesar reacted differently to the Cosep's hostile attitude toward President Chamorro, separating it from his analysis of Godoy's actions. "This is more understandable. The workers are complaining that the government is making too many concessions to the businessmen, and the businessmen are complaining that the government is making too many concessions to the workers. It is an essential part of a businessman's nature to do so. I separate the two things, because one is a political action that is completely removed from democratic normalcy, and the other is an act with which I disagree but which I can understand as part of the rights that are inherent to businessmen in this country."

Cosep Rejects Bank Policy on Devaluations

PA2407224290 Managua BARRICADA in Spanish
23 Jul 90 pp 1, 5

[Text] "People ask themselves angrily: What is wrong with Panchito Mayorga? The Cosep [Higher Council of Private Enterprise] publicly denounces that the new government's economic program has deviated considerably from the original program. Even though it offered small devaluations, no one believed they would be so many and so frequent."

In these and other, harsher terms, the Cosep criticizes the government's economic policy in its May-June newsletter, which is circulating in the country's business circles.

The letter, which was given to BARRICADA by Rosendo Diaz, executive secretary of the Agricultural and Livestock Producers Union of Nicaragua (Upanic), stated that the policy of continuous devaluations carried out by Central Bank President Francisco Mayorga "borders on the insane" and is "complete madness."

The document—10 mimeographed pages—attacks the continuous devaluations because they might be one of the main sources of the country's hyperinflationary process, which has made the monthly inflation level rise above the 100-percent mark both in May and June.

The Cosep condemns the Central Bank's monetary policy, which has increased the cost of living over 700 percent since 25 April; its credit policy, which discourages agrarian and livestock production; and the fact that it talks about the economy in terms of dollars without talking about salaries in terms of dollars.

All this, plus the public explanations about the goals sought by the measures and the government's "political

mistakes," might "become a highly inflammable political fuel" and "scare away foreign investors who have their eyes on Nicaragua."

The Cosep warns: The Sandinists "may take advantage of the labor and social unrest caused by continuous devaluations, and they may try to lead these movements to recover some of the scant prestige they might still enjoy among the citizens."

According to the Cosep, on 26 April—one day after the new government was installed—a basic food basket cost 3.5 million cordobas, but by 30 June that same basket cost 16.6 million cordobas. This, according to the letter, represents a 500-percent increase.

The letter emphasizes that talking about the economy in terms of dollars "makes it very difficult to establish a realistic relationship between the cost of living and the appropriate income to cover this cost. The inflation and devaluation variants should not affect our daily needs in life."

The Cosep says there is a need to talk in terms of dollars concerning basic services such as water, electricity, telephone, taxes, transportation, and bank interest, "because these services bring as a logical consequence the normalization of our economy."

The Cosep also demands that salaries be "expressed in terms of dollars," established in proportion to the basic needs of individuals, and raised in the same proportion that the cordoba is devalued. Otherwise, how can workers pay for the increase in prices imposed on them when they do not even have enough money to buy food?

On 25 April, when President Chamorro became president, the official exchange rate was 53,800 cordobas to the dollar, but on 30 June it was 360,000 to the dollar.

At this date, the official exchange rate is 440,000 cordobas to the dollar, which represents a devaluation that exceeds 700 percent in respect to the exchange rate in effect on 25 April. This has generated a hike in the prices of fuel and main staples in the same proportion to the devaluation, but there has not been a hike in salaries.

No one knows how long this spiraling devaluation, which is directly affecting inflation in the country, will continue.

There have been 22 currency devaluations between 26 April and 19 July. "This borders on the insane—complete madness—and on top of this all there has been not one word to justify such actions to people who are at the other end of the tunnel," the Cosep document states.

The letter adds: "No wonder people in the streets said that when Dr. Mayorga forecast that his economic success would be a reality in 100 days, he was taking the risk of imitating Napoleon in his second attempt: the 100 days of his empire, his defeat at Waterloo, and his final exile in Santa Helena."

The Cosep listed four basic errors made by Central Bank President Francisco Mayorga.

1. When he tried to dismiss managers of the financial system without taking into consideration the law forbidding their dismissal. This political blunder frightened other ministers about cleaning up house, and encouraged Sandinists to carry out strikes during the first days of the new government.

2. When Mayorga allegedly said in Washington that over 150,000 manzanas (105,000 hectares) of cotton would be sown and people laughed in his face.

3. The policy of devaluations that continuously raises prices of goods that people can no longer afford.

4. The people's huge dissatisfaction over the measures adopted by Dr. Mayorga, which people do not understand and which the government is not trying to explain, the result of which represents a heavy burden in the lives of Nicaraguan people.

The Cosep warns: "These mistakes affect the administration of Chamorro, who will finally have to bear the responsibility for this."

The Cosep warns that Mayorga "may even be right, but as long as he does not convince people he is the public servant he is, and not the owner of lives and property, the measures will continue to be highly unpopular and, in political terms, very dangerous."

The Cosep also warns that the measures "could become a highly-flammable political fuel that could have a grave impact and ill-fated consequences on the country's uncertain stability and tranquility, and could also scare away foreign investors who may wish to invest in Nicaragua."

The Cosep letter distributed before 19 July adds: "Each day, Sandinists could take advantage of the labor and social unrest caused by the continuous devaluations to try to lead these movements and recover a part of the little prestige they may still have among citizens."

The letter states that the Sandinists, "taking advantage of the economic crisis that has exacerbated the workers' difficult situation and that was produced, to a large extent, by the continuous devaluations," have promoted strikes and protests that grew because of the following political errors of the government:

a. It did not satisfy reasonable labor demands on salary increases and has not complied with the election promise of establishing a minimum salary.

b. It continues implementing devaluations that make products more expensive without giving any kind of explanation.

c. It has eliminated the transport subsidy for students, thus unnecessarily provoking demands from the student sector, which has been traditionally manipulated by the Sandinists.

d. It has failed to inform the people and to justify the economic measures that have been adopted, and it has failed to report when these measures will cease.

e. It has rejected talks with productive sectors: the private, labor, and political sectors.

f. It has been too undecided and restrained to eliminate professional Sandinist troublemakers who openly challenge public order and create anarchy throughout the country.

The Cosep believes that "the so-called rightist force is no force at all because, in its drive to create wealth, it is willing to forge a pact with the devil himself."

The Cosep notes, with a self-critical attitude, that "in general terms, little support has been given" to President Chamorro, "and we have dedicated ourselves to criticizing errors without acknowledging achievements, which have been more significant."

Cosep added: "The Sandinists, forgetting their agreements and promises, as they always do, have been making life miserable for Chamorro. They are doing it with their strikes and with their opposition to all the democratization and development programs of the new government because they can live and gain strength only in an environment of disorder and anarchy, from which they derive big political advantages."

The Cosep letter concludes: "We insist on what we have stated on several occasions: As long as there is Sandinism as a political force in Nicaragua, there will not be peace, or calm, or economic progress. They have to be eliminated completely."

Paper Claims Cardinal Called for 'Repression'

PA2407181190 Managua BARRICADA in Spanish
23 Jul 90 pp 1, 5

[Text] During his homily at the Las Sierritas Church on 22 July, Cardinal Miguel Obando y Bravo called for the authorities to use repression against those sectors who have talked about "heads rolling."

However, Obando, who cited, completely out of context, a phrase used by Commander Daniel Ortega during the ceremony to mark the anniversary of the Sandinist people's revolution, did not explain to his parishioners that it is actually the recalcitrant sectors of the new government that have threatened to make Sandinists disappear.

The cardinal said that so far the authorities have done nothing while certain "individuals" have sought to create anarchy by setting up barricades and ripping up streets. This appeared to be criticism and lamentation of the fact that the government resolved the workers' strike by means of a dialogue.

Obando said it is necessary to create a climate of peace and to respect everyone's way of thinking, but he gave no specifics.

When he talked after with reporters, he reaffirmed the statements he had made during his Sunday sermon. He told the reporters that the authorities must "ensure that there is order; criminals who are threatening the citizens' lives cannot go unpunished." Obando did not explain which criminals are going free.

Lacayo on Current Situation, Economy

PA2407190390 Managua Domestic Service
in Spanish 0030 GMT 21 Jul 90

[Interview with Presidency Minister Antonio Lacayo by Danilo Lacayo, presidency press and information director, during the "Democracy on The Move" program in Managua—live]

[Text] [D. Lacayo] We have here Presidency Minister Antonio Lacayo who will discuss some topics that are very popular in Nicaragua right now. This is democracy: The people make comments, talk about government officials, and criticize them. At the same time, the people demand to hear the truth from them.

Today we are here with Engineer Lacayo. This is especially important because of the recent events that have taken place in Nicaragua, which include the workers' strike and the subsequent public order disturbances. We are all aware of those things.

Many things are said about Eng. Antonio Lacayo. One of them is that he has a secret pact with the Sandinists. We would like to know whether that is true or not. What has Eng. Antonio Lacayo really discussed with the Sandinists? Eng. Lacayo, please go ahead.

[A. Lacayo] Thank you Danilo. The truth is that a pact as such is nonexistent. Following the order of the then president-elect Violeta de Chamorro, since 27 February—in other words, a couple of days after election day—there have been many discussions with the Sandinists. She appointed a transition team composed of three people. This transition team was ordered to hold talks with the transition team appointed by the Sandinist government, which had lost the elections. These two teams had to reach an understanding so that during the 60 days that remained before the change of government and during the change of government itself, there was an atmosphere of understanding. The talks between the two teams began on 27 February, hardly 48 hours after election day. Foreign election observers, including former U.S. president Jimmy Carter and the UN and OAS observers, attended the talks. The members of the team appointed by the new government were yours truly, Mr. Luis Sanchez Sancho, and current Government Minister Eng. Carlos Hurtado. The members of the team appointed by the outgoing government were General Humberto Ortega, Gen. Joaquin Cuadra, and Commander Jaime Wheelock.

We began a series of talks then. During these talks, the new government became aware of the Sandinist government's main concerns and fears. The Sandinist government had just lost an election that it never thought it would lose. The Sandinists never fancied that as a result of those elections they would have to turn over power to another political group. I think that most Nicaraguans know that the election results came as a big surprise for the Sandinists, because they thought they had the support of most Nicaraguans. In view of the international commitments they had agreed to honor, the Sandinists conceded early on the morning of 26 February. At that moment, however, the Sandinists found themselves facing a completely new situation. They had enormous concerns and doubts. Many of those concerns and questions were discussed during the talks that the two transition teams held.

As a result of those talks, we agreed on what we called the transition protocol around the month of March. That document established the basis on which we could conduct a transition of power that was acceptable to the new and the outgoing governments. The talks included issues such as the future of the Armed Forces, the housing problem, the problem of the land that had been given out by the Agrarian Reform, and some other concerns. In that way, we became aware of their viewpoints and they became aware of ours. After the discussions, we reached what we called a transition agreement. This agreement was the basis for an understanding without which we would have hardly been able to conduct the turnover of power on 25 April. Without that understanding, we would not be able to implement the national reconciliation policy of Mrs. Violeta de Chamorro's government.

That minimum understanding, that basic agreement and protocol is what some people have described as a pact—even as a secret and evil pact—because in Nicaragua pacts have been bad for the people in the past. There is no pact here. We have a basic understanding of the way in which the turnover of power was to take place on 25 April. That understanding allowed the new government to take over power within a festive atmosphere. Many presidents attended the presidential inauguration.

However, the transition period went beyond 25 April. The national reconciliation process forces the government to get in touch with the various country's groups, and obviously one of the country's most important groups is the current Nicaraguan opposition—the Sandinist Front. That is why those talks have continued after 25 April. We want that minimum understanding to continue to exist. We have tried to overcome the problems of this new phase Nicaragua is experiencing through dialogue and negotiation.

Thus, there is no pact. There is a basic understanding, which is clearly detailed in what we called the transition protocol, which was released in due time and which is currently available to the public.

[D. Lacayo] Continuing with the same topic, there are always comments made about public figures. Some people start making comments to create a certain image about some government officials. In your case, after being a businessman, you have now engaged in politics. Many people say that you are negotiating with the Sandinists because you have, or have had, economic interests linked to the Sandinist National Liberation Front [FSLN]. These comments are being made, and it is your duty as a government official to clear up this matter. We would like to hear what you have to say about those comments.

[A. Lacayo] I have heard those comments before, and I am still hearing them almost daily. Those comments are due mostly to the situation at the Grasas enterprise, which was taken over by the government in 1982. In 1983 it was decreed a government utility and finally was physically taken over in 1984. I was evicted from the enterprise by military personnel who claimed to be obeying orders from higher up.

In view of that situation, instead of leaving the country, which was what everyone else was doing then, I opted to stay in Nicaragua. I always believed in Nicaragua. I believed that we would overcome the existing situation. I appealed to the Supreme Court of Justice, and I tried to recover control of the enterprise through all legal means according to the Constitution. I struggled for three years from a temporary office completely disengaged from the enterprise because I was not allowed access to my offices. After three years, the Court ruled in favor of the legitimate owners. Up to a certain point, this was a unique case. However, the ruling was due to the evidence and documents we presented to prove that the takeover had been a completely arbitrary action. There was some resistance to the Supreme Court ruling by the Ministry of Economy and Industry. I was then forced to negotiate with that ministry. We reached a solution that implied expanding the enterprise's capital so that the government could have a share in the enterprise. A deadline was agreed upon; I believe it was three or four years. As a result of those negotiations with the government, the problem of the enterprise was solved.

The 40 or 50 shareholders—many of them farmers from the Leon and Chinandega area—supported the agreements. The enterprise went back to normal operations, and now the COIP [People's Industrial Corporation], of Violeta's government has a small share.

I have never had any business deals with the Sandinists. With the former government, I had business transactions that have now been inherited by the present government.

Besides that situation, there is no basis for those comments. However, I believe that the people who are referring to these transactions as hidden deals are unfair because my other option would have been to go into exile. I believe that the Nicaraguans who stayed in Nicaragua are aware that going into exile was not necessarily the correct attitude because it meant leaving the

battleground. Now that the case has been settled, people believe that there were some shady maneuvers behind this solution. Sometimes success has some disadvantages—like the people's criticism.

[D. Lacayo] Your statements are important because it has always been said that the Presidential Council or Ministry is too centralized through the Cornap [not further identified], which is part of the Ministry of the Presidency. Of course, there is criticism. Could it be that the Minister of the Presidency Antonio Lacayo wants to have absolute control over the country's economy for his own benefit? Will he become a new super-minister with tentacles in all enterprises and control over all businesses? That is another frequent rumor. I would like you to give us a clear explanation of this situation.

[A. Lacayo] The situation of the nationwide public sector entities, formerly known as APP [People's Ownership Sector], is very simple. During the previous government, they were under some three or four ministries including Midinra [Ministry of Agricultural Development and Agrarian Reform], the Ministry of Construction and Transportation, and the Ministry of Tourism.

They were small fiefdoms that served to satisfy the thirst for power that we all know existed in the previous government. They were managed in keeping with the interests of a specific ministry or institution and not national interests.

Realizing that this government must return unjustly confiscated property to its previous owners and that Nicaragua needs investments through the transfer of these entities to the hands of private or mixed sectors, the presidency thought that it was advisable to place them under its supervision to ensure, as privatization opportunities came up, that no minister could exercise this power that is inherent to such entities.

The move to place them under the Presidency Ministry is in keeping with President Violeta Chamorro's wish that these entities be sold with the least possible opposition from the government as people became interested in investing capital, acquiring technology, and contributing to this country's reconstruction. We imagine that there could be opposition from other political groups outside the government.

The government wants its handling of cases involving unjustly confiscated property and orders to privatize property bringing fresh investment to the country to be unchallenged. This is why it placed these entities under the presidency.

[D. Lacayo] There is also talk—because all things are intertwined—about the family situation. This is a secret to anyone; everyone is saying that Antonio Lacayo is the real boss in this country. People frequently hear that Mrs. Chamorro consults with Antonio Lacayo. Is it true that Antonio Lacayo must be consulted because he is the real boss here?

Various sectors are manipulating this. The opposition uses this to imply that certain people behind the presidency are governing. Some groups within the National Opposition Union [UNO] are also handling this to their advantage. We must let the people know the truth. They want to know because they are hearing this claim on the radio and certain newspapers. Is the claim by certain sectors about Antonio Lacayo Oyanguren, Mrs. Chamorro's son-in-law, true? Who is the boss here?

[A. Lacayo] Anyone who has the slightest doubt about that should not ask Antonio Lacayo, but Mrs. Chamorro. At the presidential summit in Guatemala, a reporter asked her about that and she answered categorically: I am the boss here.

That claim dates back to our campaign. Certain UNO parties nominated Mrs. Chamorro for the presidency, and other parties had their candidates, but they all finally agreed to nominate Mrs. Chamorro, because she received a majority of the votes. The presidential and vice presidential ticket was established in early September.

UNO elected a campaign chief on 7 or 8 September. Mrs. Chamorro proposed my name and I told her that I would gladly help her. Since then I have abandoned all my personal activities and dedicated all my efforts to ensuring a successful campaign. Obviously, few people are as close to her as myself, and thus, the success of the campaign was a major concern of mine, not only as a Nicaraguan who wanted to solve...

[D. Lacayo, interrupting] Excuse me, why were you that interested in Mrs. Chamorro's victory?

[A. Lacayo] I could say a lot about that, but let me just say that I always believed that the only way to end the war in Nicaragua was through a free election. I believe that even certain groups from the previous government shared that opinion.

However, I also thought that only Dona Violeta could win an election or unite the people around her. I also thought that only Dona Violeta could move forward—after she obtained power—with a plan for national reconciliation, which is fundamental for this country to forge ahead.

As a Nicaraguan, I saw this clearly and never doubted that it could be done. That is why I agreed to serve as campaign manager. However, because of my family ties to her—since I am her son-in-law—I also wanted to see her succeed in meeting this challenge, from a personal standpoint. So, I felt obliged to make every effort to help her win, and this irked some sectors that probably did not even believe in the plan of national reconciliation. Maybe those sectors did not even think Dona Violeta could win but did think that UNO could get 30 to 40 percent of the votes and clinch 30 to 40 percent of the seats in the Assembly. However, what Dona Violeta sought was victory and we, the Nicaraguans who

believed in her candidacy, wanted her to win not only the presidency but 30 or 40 percent of seats in the Assembly as well.

At first, some people did not think this was possible or did not believe that the Sandinists would turn over the presidency to her. However, since I assumed the position of campaign manager, I was obliged to ensure her success. That is why many people began to say that I was the one in command. What happens is that a campaign manager has the unpleasant job of imposing the will of the candidate over everything and everybody. However, the candidate has to be on the good side of the people and win their support. The one that does not come off well is normally the manager, who has to impose specific schedules and programs.

After the victory of 25 February, Dona Violeta asked me to help her in the government. This was not part of my plans. However, I thought I had no option but to help her—as I had done during her successful campaign—through her next six years in government. I agreed to help, using the same philosophy that guided me during her campaign. This meant moving ahead with the program she pledged to fulfill, which was the UNO's original program, involving a *de jure* state, open and frank national reconciliation, and understanding among all Nicaraguan sectors. There seems to be much resistance to this program now, but this was the platform that was offered to the people, and we will defend it in this country no matter what happens.

Sometimes this fact forces me to impose certain criteria. People interpret or some people interpret this to mean that my will prevails over Mrs. Chamorro's. This is totally untrue.

[D. Lacayo] Regarding the UNO program, some people are constantly saying that we are veering away from it and that the Nicaraguan Government is not pursuing the program. Some people say that we are only talking about reconciliation, love, and peace and that we must adopt stronger and firmer attitudes. During the strike, when there were pressures on us, we listened to the radio stations of both sides. Some of them spread disinformation and others called for insurrection. Some people said: [word indistinct] intervention; Dona Violeta, take a stronger stand. All this makes some people feel that Dona Violeta, the president of Nicaragua, is not going to fulfill the UNO platform and some say: I did not vote for this and the people did not vote for what is happening now. This question is hanging in the air: Will the government fulfill the UNO program; is the government fulfilling the UNO program?

[A. Lacayo] The UNO's government program says in paragraph 1, section 1, that the fundamental objective of this new government will be to establish a *de jure* state (?not) a dictatorship for a full exercise of democracy and enforcement of social justice in which all—all—of the country's sectors will participate.

In point number 2 it mentions the conclusion of a national commitment between the government and all sectors of society to establish reconciliation among Nicaraguans, to build democracy and peace, and to succeed in overcoming the country's integral crisis.

Point 3 says that the fundamental objective of this national commitment will be the establishment of a government of national salvation. The national salvation government should be essentially civilian, republican, democratic, and representational, based on the unity of the nation and oriented to serve the homeland and achieve the common good over and above partisan interests.

These are the fundamental objectives of the government's platform. However, this is difficult to implement because our society has been polarized for 10 years of virtual war, and the Nicaraguan family has been divided into two sides—those in favor of the Sandinist regime and those in favor of a change in this country. This polarization was epitomized by the armed struggle. Armed struggles are harsh because they leave behind deaths, destruction, maimed people, poverty, and destitution. The attitude of those who suffered on either side is to settle accounts and to take revenge. This is what is known as retaliation. When you combine it with Latin American machismo you have a bomb.

However, this government's commitment is not to settle accounts but clearly to establish a broad-based national commitment with a role for all of the nation's sectors. This is hard to achieve but I feel this government has made progress in that direction. How? Simply by imposing dialogue as a method of solving crises, not by imposing intervention or wielding a big stick. If we were to resort to those methods, we would not only violate point 4 of the fundamental objectives—which refers to independence from the hegemonic interests of the world powers—but we would be done with and buried here through an intervention. We would be violating even this point. Not only that, but we would be ignoring the spirit of democracy, tolerance, and peace that a *de jure* state implies.

This may be difficult but that does not mean we are not succeeding. When Dona Violeta assumed power, approximately 18,000 to 19,000 combatants were up in arms here. Those boys are now demobilized.

[D. Lacayo] Many of them live in Managua.

[A. Lacayo] Many live in Managua. Just three days ago their top leaders attended a working meeting at the presidency, and we discussed the development centers and a plant they want to establish near Santo Tomas. We are making progress in solving their problems.

[D. Lacayo] The war cripples are even going to be moved...

[A. Lacayo, interrupting] The war cripples are already arriving even though we do not know where they will be lodged. Nevertheless, Nicaragua has undoubtedly made progress toward that peace.

The two strikes we have had have been solved through dialogue. They were not solved by (?push and shove), which is perhaps what some sectors of the population wanted. However, what kind of solution would that be, if a solution at all? It would have been simply a return to the past. Just yesterday we were celebrating the end of a dictatorship. Well, it would be a pity to return to the systems we hope to have overcome forever in Nicaragua.

Therefore, I repeat that we have not only begun fulfilling the government's program but we will continue to deeply emphasize compliance with it insofar as it does not exceed the bounds of the Constitution, which must guide all actions of a *de jure* state. This is the path we will take.

[D. Lacayo] In political dynamics, this kind of situation also leads to... [changes thought]. Logically, we are in a democracy. Obviously, this kind of problem probably did not arise during Somoza's time, much less during the previous administration. So, what happens is that some attitudes of the government have been criticized by some sectors and even some political leaders. They have criticized the government and you personally for what they describe as "softness" or lack of mettle. This kind of opinion spreads among the population and some media have been appealing to violence. Then the people say that the government is not really a government and that there is a power vacuum. This government is soft. What can you tell us about this?

[A. Lacayo] This issue of a power vacuum is an interesting one. If we define power as the use of force come hell or high water, I believe that we should welcome the power vacuum. If we define power as the government guiding the citizens toward a certain direction, then I believe there is no power vacuum. We have made headway here; we will be marking three months. In less than 15 days we faced the worst strike that this country experienced in its history. The Sandinist government never faced a strike of such dimensions; no previous government had either.

However, our government weathered it without a single person killed [as heard], hit with the butt of a gun, or jailed. And normalcy was restored. Two months later, we not only faced another large-scale strike, especially in the public sector, but also encountered some sort of a coup attempt; a sort of popular insurrection in certain neighborhoods and the main streets of Managua that prompted many people who have weapons to take them to the streets, exposing the rest of this country's citizens to a great danger.

People were killed—not in clashes between the government and the citizenry but among the citizens themselves—and we had what could have been the beginning of a civil war. Right? We have just come out of a war, and I think that the last thing Nicaragua wants is another

war. To make matters worse, the war we just came out of was mainly waged in the mountainous areas of the country; but the one that was in the making here that Monday would have been a war in the capital—just like the one that has prevailed in Lebanon, with the well-known sorrow, bloodshed, destruction, and backwardness that those poor people are suffering.

Therefore, there was talk about the opinions of certain politicians, who said that the situation should be handled with a strong hand, meaning by imposing the government's will, sending out the Army to do what is done in certain countries, arresting the people, imprisoning the people, and even eliminating the people, if possible. It is easy to recommend those methods. It is normally done by the hotheads, but the person who has to adopt the decision must think about it over and over again because it can result in a lot of bloodshed among Nicaraguans and it can increase tensions.

This was not a problem between the government and a sector of the population. The people we saw at the barricades represented a sector of the citizenry, and the people we saw at Radio Corporacion represented another sector of the citizenry, and they were ready to kill each other. The deaths that occurred during those days were not caused by the government's actions; they were caused by the citizens, who began to fight among themselves. Given the situation, if the government had fed the fire, I do not know where we would be right now; I do not know where some of the politicians who recommended that type of solution would be now, because violence normally generates more violence.

Nevertheless, the government opted for a dialogue, like it has always done, and the problem was solved in a short time and life returned to normal—but the cost of the damage was obviously very high for the country. Right? Anyway, the cost of the damage can be replaced with work, but the lives that are lost cannot be replaced. I feel that some people sometimes get desperate, and they want magic solutions that do not exist—except in the minds of people who still live in Somozist times because they are demanding Somozist solutions to the problem. In other words, sending out the National Guard—like it was done then—to arrest the people, to arrest anyone they find, and the problem is solved. Those are not the solutions adopted in a *de jure* state. This does not mean that force cannot be used in a *de jure* state, but force is something that can only be used as a last resource, when all the other options have been exhausted. The government's obligation was to exhaust all the other options and, thank God, the problem was solved through one of those options, meaning the dialogue.

[D. Lacayo] As a result of this situation, and there is no way you can deny this, at one point there was talk of friction between Vice President Virgilio Godoy and Mrs. Chamorro and Antonio Lacayo, because of the differences of opinion that existed. To be sure, extreme sectors, both right and left, have exploited this rumor. Of course, the majority, the people, who voted for Mrs.

Chamorro on 25 February, stand in the middle, getting this message from both sides: the government is split, the government does not function as a whole, and the split is clear. Is there such friction among you and Mrs. Chamorro and Virgilio Godoy?

[A. Lacayo] I believe that getting Mrs. Chamorro involved in this is not right. Godoy is clearly unhappy, and he has voiced his unhappiness over some news media. What lies deep down here is very simple. The government is presided over by Mrs. Chamorro, and all who work for her owe her loyalty. Her government plan and her commitment are with the Constitution and the government plan we talked about earlier.

Some people have never believed in a national reconciliation. Some people prefer more drastic solutions. However, those solutions only exist in their minds, because life has shown that those drastic solutions do not exist. Anyway, those people, Dr. Godoy among them, do not share that vision about Nicaragua's future. For some reason they believe that such a reconciliation is not possible, desirable, or feasible. Therefore, he is out of the government in the sense that he disagrees with the goals set by Mrs. Chamorro.

The government is a river that follows a course, and whoever wants to work in it must follow that course, meaning the one outlined by the government platform, and it is the one that Mrs. Chamorro talks about every time she addresses the nation. Her messages represent an appeal for an understanding among Nicaraguans, a peaceful solution to our problems, and harmony and reconciliation, starting with a clean slate and with brothers forgiving their brothers—she said it many times during the campaign.

It is difficult, it is certainly difficult, but that is the challenge that this government faces. When this government enters history it will be remembered as the government that put an end to the great tension and hate prevailing among Nicaraguans made it possible to establish a firm democracy and build the foundations for solid economic development. It is utopic to think about democracy and economic development without having a minimum of understanding among the Nicaraguan people. No country can achieve progress if its people are killing each other. No democracy can prevail if the people want to solve their problems with violence. The least we can do is achieve an understanding so that this country can begin to flourish.

However, some people disagree, and they obviously cannot be part of the government in the sense that they disagree, and Dr. Godoy has excluded himself because he had adopted positions that differ from Mrs. Chamorro's position. That is why it looks like there is a division. There is no division. The government is working in one direction. All the ministers, vice ministers, and directors of autonomous enterprises share this dream, and we fully agree that Nicaragua has only one option: the plan for a reconciliation and understanding.

People who do not agree with this cannot be part of the government. People who agree with this have no reason to be left out. Therefore, that is the crux of the matter. It is a matter of loyalty. Loyalty to whom? Loyalty to Mrs. Chamorro, who is the constitutional leader of this government, and she has pledged to implement a government platform that clearly emphasizes reconciliation and understanding.

[D. Lacayo] This is a very interesting topic, because this occurred when some extreme groups within the FSLN carried out the strike. People wonder: This strike is over, but will there be another strike next month or 15 days from now? Are the Sandinists convinced that democratic life is the solution? Is it possible that the call for national reconciliation is not unilateral? For example, last night at the funeral services for a friend's mother, I was talking with people who told me: The truth is that you only talk about love; however, former President Ortega's 19 July speech was very violent and harsh compared to Mrs. Chamorro's speech. Are the Sandinists sincerely in favor of a national reconciliation?

[A. Lacayo] This is something that the Sandinist leaders must decide. I personally feel that the democratic opening after 25 April has not been correctly valued by some Sandinists. It seems that some of them were not ready for democracy, for this type of western democracy, or simply for democracy. When I say that they were not ready, I mean that the fact that they resorted to barricades to solve a conflict that supposedly was a labor conflict is not right in a democracy. The strike itself is acceptable, because workers have a right to go on strike. It is even stated in the Constitution.

[D. Lacayo] This right is recognized now but was denied in the past.

[A. Lacayo] We cannot deny this right, because if we start acting as others did in the past, we will be making no progress. Our commitment with our government platform and the Constitution is sacred, no matter what it takes, even if we are called weak, cowardly, or stupid.

However, I believe that in a few years, when Nicaraguans finally recognize the benefits of a democratic system and of being tolerant of the progress that democracy and stability brings, they will start saying: They were right after all. There is no doubt about that; it will happen.

The same occurred with many Nicaraguans who recently ...[changes thought] by the way, they are the same ones who strongly criticize the government today; people who not even in their dreams believed that we could have elections here; people who never thought that once the political opportunities were open we could win, and who did not believe that the FSLN would relinquish power after we won the elections. They are the same ones who today do not believe that democracy has a future here, and perhaps due to an inborn feeling to want to return to a dictatorship.

They feel more comfortable in a dictatorship where the government exerts a power that no one disputes. Maybe this is a weakness of Nicaragua, or rather of some Nicaraguans, because they feel more comfortable once they know there is a dictatorial or totalitarian power that controls the situation. Perhaps knowing that a democracy is so fragile causes distress to those Nicaraguans. Democracy is fragile, but I certainly feel that as a space was opened to hold the elections, the possibility of a victory was opened. As the FSLN at daybreak on 26 February accepted the election results, I feel that the FSLN will gradually begin to understand that this *de jure* state and this democracy also benefits them as a party and as citizens of this country. In a state like this, there is no discrimination of anyone because of their ideological beliefs or because of the party to which each individual belongs. This is the first time we have enjoyed this in Nicaragua.

As you are aware, here in Nicaragua radio stations say what they want to say. Whether it is true or false, they say it; no one is gagging them. Newspapers here report what they want to report. People who want to hold demonstrations do so openly, fully aware that the state will not detain, beat, or kill them. This is a great advantage to any party, because if a party is certain that by expressing its viewpoints it will get new followers, here the FSLN has the door open to get all followers it wants to get because no one prevents it from expressing its viewpoints and no one hinders the party's activities.

Therefore, answering your question, I do believe that the dress of democracy does not fit them. However, as time passes, they will value it more and see that it also benefits them. I also believe there will be more strikes, and this is a right that workers have. I believe that it is unlikely that barricades will be erected again. People, and even Sandinists, saw the danger of putting citizens in that situation. People who were killed did not die in clashes between the government and citizens but rather in incidents between radical Sandinists and non-Sandinists who, for some reason, want to solve problems using rifles. When we assess problems that occurred in the city during the strike, we see that this does not benefit anyone. Sandinists themselves know that this is not desirable. Therefore, I believe that this was like when a child plays with a dangerous toy, with a toy that uses electricity and after the child gets a shock, he feels more respect for that toy. I think that this is what will happen here.

There will be more strikes. However, I believe that to the extent we resort to dialogue, strikes will be solved before they turn into big problems. I also believe that we will not see people erecting barricades again.

[D. Lacayo] May I interrupt you, because I think that the main problem, or one of the main problems in Nicaragua, is obviously the economic problem. Therefore, what are the Nicaraguans facing? Very simple: In each strike we have here we lose millions of cordobas. The

FSLN wants to interrupt the UNO government economic plan. Therefore, each strike causes deterioration to the economy.

During a previous program, in which we had Dr. Antonio Ibarra, we asked the FSLN to give a chance to the FNT [National Workers' Front], because for 10 years they [the FSLN] had asked people to make sacrifices, and now this democratic government, freely elected by the people, was also asking people to make some sacrifices for a new opportunity for this democracy. What will happen if we keep on having strikes? Reportedly, \$24 million were lost in the recent strike. Each strike that takes place will mean thousands of dollars lost, and the economy will deteriorate. We all lose: Farmers, workers, peasants, and housewives. There is an additional problem: Foreign investment will stop because investors will not come to the country if there are problems. Therefore, do you think Sandinists will understand this problem? Do you think they will realize that they have to give a chance to this democracy?

[A. Lacayo] I believe there are good Sandinists among the Sandinists, as there are good doctors among doctors. There are doctors who can cure your illness, and there are others who can kill you. I think that to believe that all Sandinists are alike is utopian. This makes me believe that the strikes, which had a lot of resistance in a short period of time, are the result of a new liberty we are enjoying in Nicaragua. However, as time passes, workers themselves will begin to realize that to use this method to solve any problem that arises will also affect them. Someone said the strike cost the government \$24 million. The strike did not cost that much for the government because the government has no money. It does not produce a product, it sustains itself from the taxes it collects from citizens, and it pays its own expenses. The government has no millions of dollars or cordobas anywhere. Therefore, who paid the \$24 million? The people themselves and workers who joined the strike; those who did not join the strike also ended up paying the cost.

Therefore, to the extent the benefits of the economic plan are delayed, I feel that people and workers themselves will begin to realize that it is better to solve problems within the labor union with the factory manager or the ministry representative. Workers will realize that it is better to resort to dialogue. If the dialogue is suspended, it is better to insist that the dialogue is resumed. They will also realize that it is better to exert some pressure at the intermediate level before staging a big strike in which we all lose because it affects the entire country because of no production during strikes. I believe that this new right of resorting to strikes we Nicaraguans are enjoying after 25 April is being used—I want to mention again the example of the toy—as a new toy. I see many workers enthusiastic about this method that can be used today and but that used to be prohibited.

However, I believe that Nicaraguans are intelligent people. I believe workers and even Sandinists are intelligent. The Sandinists will start to realize that strikes do not promote their popularity with the people, especially

with workers who suffer the consequences of the strikes. These actions also have a negative impact on the Sandinist image abroad. The international community is very enthused with our national reconciliation program and each time a strike is called—especially when political maneuvering occurs—it is viewed as if the Sandinists do not want national reconciliation. This hurts the Sandinist image abroad. I believe the Sandinists will start to appraise situations with more responsibility and that it will be difficult for events of such violence, as those that took place a few days ago, to occur again.

[D. Lacayo] What is happening to the economic plan and economic recuperation? Is it too late to implement the plan? Has it been sabotaged? What are the country's economic plans for the future? Right now many people are saying: The UNO plan was feasible only if there were no strikes. There have been, however, so many strikes and so many obstacles that it will be difficult to implement the plan. It is logical for a person to recall the strikes and the country's problems every time he sees the bad condition of the roads. If, in addition, the person hears the news on the radio and the government is being criticized by both sectors in the country, the person will begin to wonder: Where are we heading? Can the national reconciliation program really be implemented? Can our economy still recover or is it too late?

[A. Lacayo] It is ridiculous to believe that the country's economic program has failed because there have been a few strikes. Besides, this economic program was not imposed from above. It is a product of the elections themselves. Now Nicaraguans can undertake any activity they want without any problems. A person who grows a product can sell it to anyone at any price he wants. A person who wants to invest can do it in any branch of the economy that he wishes, without anyone exerting pressure on him one way or another. That freedom, which was a product of the elections, is the basis of the economic plan. No one can stop it, unless another government replaces this one. That is the economic plan. That is the democracy and freedom that the government grants each Nicaraguan, be he a worker, producer, small, medium, or large manufacturer. He can adopt any decision he wants. We no longer have any ministry imposing specific conduct, or artificial exchange rates, or subsidizing one sector while harming another.

The government has been balancing the different types of currency exchanges so that everyone will pay the same price for gasoline and so that everyone will pay the same price for the dollar. Now no one can buy a subsidized dollar. However, three months ago there were some privileged people who could go to the currency exchange houses to buy a dollar for 50,000 cordobas, while on the streets it was selling at 120,000 cordobas. If you were one of the privileged few, you could buy at the exchange house, but if you were not privileged, you could not buy there. Now no one has that privilege. The dollar costs 440,000 cordobas for one and all, for Sandinists and for non-Sandinists. This program now allows people to adopt their own decisions. The cattleman knows that his cattle is worth its real value. A 220-kg calf sells for 305 or

310 cordobas oro. Three or four months ago it sold for less than 100. That cattleman is already starting to make improvements on his farm.

The same goes for the small, medium, or large merchant. That base of the economic plan is indestructible. Some benefits of the economic plan have been delayed with this strike. That is logical. However, I believe that basically Nicaragua is going to overcome inflation. Nicaragua will overcome this fearsome unemployment that we have. We will overcome the structural problems. For 10 years, instead of being aimed at production, the country's policy was aimed at solving military problems. Let us bear in mind what the war cost us. That has been overcome. That is why it is ridiculous now for some people, who did not even participate in the war, to want to go back to military solutions. I believe that this is the country's firm base to start on the road to recovery. It cannot be done overnight.

Any farmer knows that the seed of corn, beans, or whatever, has to be buried. For several days nothing happens. It seems as if the seed had been lost. However, days later it sprouts, and months later it bears fruit. The economic plan is the same. Now we are sowing. These are new ideas, procedures, and ways to develop the country's economy. It is like sowing seeds. We must wait awhile. We cannot come the next day and ask, where are the fruits of this program? It is childish. Everyone, especially the farmers, understands that we must wait. We must be patient. Things take time. The economic plan is already beginning to bear fruit. The equalizing of the currency exchange rates was essential. The inflation in July, despite the strike, will be substantially lower than in June. Inflation in June was lower than in May. At the rate we are going, we are slowly getting there. I feel that in August things will be even better. However, it is not so easy to solve such a big problem as the one we inherited when we assumed power.

[D. Lacayo] To conclude, the Nicaraguan people wonder what kind of international economic support we have, what countries are going to support us, and who is going to support us. Will there be support in spite of strikes? I remember the morning when the agreement with the FNT was signed. Many people who voted for Violeta felt disappointed because with this kind of situation the country cannot make progress, and the countries that would give us aid will not do so because the position adopted was, as usual, weak. It is important for the people to know about the aid, if governments will give us the aid they have offered.

[A. Lacayo] The first part of your question is interesting. Nicaragua will not move forward with the assistance granted by one or two countries. I think by now it is clear that we will move forward insofar as the whole international community gives us its support. And this includes countries that did and did not help the previous Nicaraguan Government. If we succeed in joining those forces, Nicaragua would probably receive the assistance it needs

to guarantee a firm basis to our economic recovery and to avoid a drop in our economy.

In principle, the current Nicaraguan Government has succeeded in obtaining an extremely significant and interesting support from countries that were not helping Nicaragua, like Japan, which has already expressed its willingness to help Nicaragua, the United States, the FRG, and the United Kingdom, to a small extent. This assistance added to the support given by the countries that were helping the previous government, such as the Soviet Union, the Nordic countries, and the European countries, could solve the Nicaraguan crisis.

It is important to state that many countries, especially the European and the Nordic countries, and the socialist countries, especially the Soviet Union, have continued helping the new government because of its government platform and because of the way the government transition took place, because they noticed that this is a mature government capable of implementing a national reconciliation program—a program that promotes understanding among the Nicaraguans, because this is what will permit democratic development.

If other governments were to notice that the Nicaraguan Government abandons its commitment with democracy, those countries would withdraw their support, and Nicaragua would find itself being supported by fewer countries and their support would not be enough to initiate our economic take-off. This is why it is essential for all the Nicaraguans to understand that if we want to get ahead, it will have to be on the basis of implementing our democratic projects.

Nobody likes to finance dictatorships. No European country likes to finance authoritarian regimes. Our project, our government platform, has this advantage. The way that the government has been implementing this project has caught the attention and secured the sympathy of the European countries.

Sweden, Norway, Finland, Denmark, Italy, and Spain—very important countries—have continued helping us. There is the Soviet Union also. This help, plus aid from the United States, Japan, the EEC, and Latin American countries such as Venezuela—which has adopted an important disposition regarding oil supplies—and Mexico—which is prepared to adopt a similar position—is what can give Nicaragua the basis for the government program to succeed.

This is why it is important for the government not to break with its government platform. It cannot succumb to radical pressure from Sandinist groups that want to change the country's course, or to pressure from other radical groups that also want the government to change course.

The obligation of this government is to remain centrist and devoted to its commitment to firmly build—even if it has to be done slowly—a democratic process. This is what Europe likes. This is why aid promises have been

reiterated and reaffirmed, and in some cases it has actually been sent. As this aid begins to arrive, the country will start making progress.

I have to note that some people believe that this aid has already arrived and that it is being held at the Central Bank. This is not so. We have received offers of help only. This help will materialize once the proper steps, which are many, are taken, especially by the foreign and foreign cooperation ministries. This involves much work, and strikes delay this work.

As we delay this aid we would be delaying economic progress. We will continue seeking this aid, and aid will continue arriving.

Little by little we will see here in Nicaragua more signs of progress in some areas, and gradually the seeds of the economic plan will grow. I believe that as we see that growth, more Nicaraguans will feel as optimistic as those of us who know the plan in depth.

[D. Lacayo] The government has been in power for almost three months, practically for one quarter. On 25 July, in exactly four days, the government headed by Mrs. Chamorro will have completed three months. Some people are pessimistic regarding Nicaragua's future. Others are very optimistic. Some leftist and rightist radicals are opposed to a centrist position, because they believe it is not what's best. Some people feel that the government's direction will take them nowhere. In sum, there are many speculations that confuse Nicaraguans in general. Not only members of the FSLN or the UNO, but all in general, because this is a government of all Nicaraguans, it is not a sectorial government. It is not a government of those who voted for Mrs. Chamorro, but of those who did not vote for her, and even of those who were indifferent. That is why it is a democratic government, a government of national reconciliation. Three months after the government assumed power, what is your evaluation of those first three months?

[A. Lacayo] I believe these three months have been very fruitful, because if nothing had happened, if the government had not faced challenges, and if we were sailing in still waters, we would not know if the boat is capable of withstanding a storm or not. As passengers on this journey, we Nicaraguans would be weary because we would not know what could happen in stormy waters. However, I feel that during these three months we have faced stormy waters. In fact, many Nicaraguans have become desperate due to the size of the storm. However, the government withstood the storm without having to kill, beat up, humiliate, or arrest Nicaraguans as other governments have done to overcome crisis like the one this government had to face.

In my opinion, the two strikes and the conspiracy [asonada] in addition to the economic crisis that this country was facing on 25 April—an economic plan that for two months was practically stagnant, a currency that was completely distorted in relation to the real exchange rate on the streets, the problems in many ministries

where many things disappeared—that type of crisis, and the fact that 18,000 armed contras were entering the country from Honduras, many of them uncertain about the military situation here, was not easy to handle.

We were in very troubled waters. I am sure that many people did not even give the government three months in power. They did not believe the government could last three months, not because of the crisis, but under no circumstances. However, the government is still there, and we are here discussing these matters pleasantly, and Nicaraguans are listening to us quietly in their homes without anyone pounding on them or pushing them in one direction or the other. They might even be holding a beer or a drink in their hands.

The government has already shown the Nicaraguan people that it is capable of overcoming all the difficulties it has had to face. Some people questioned government decisions, specifically in the military field, whether General [Humberto] Ortega should remain in the Army or not; some doubted that the contras would really disarm themselves; others thought that the U.S. aid would not arrive; and others predicted a bleak future. Nevertheless, the government managed to convince the resistance that it was best for them to disarm themselves, and they did. The government obtained the U.S. Congress' approval of the aid despite the obstacles. The government managed to overcome two strikes and a conspiracy [asonada]; it managed to balance the two foreign exchange rates, the official and parallel rates. It initiated the agricultural cycle, even with more land than last year for most products. The government even rented the first confiscated farms from their owners, in what is known as Decree 10-90 in the western region and in Matagalpa. It was not possible to rent as many as we had wished, but we advanced in that direction.

Today we have a government that is respected by the international community and also by all Nicaraguans. The FNT, which conducted the most recent strike and which mounted barricades together with the FSLN, in its communique on Thursday or Wednesday last week, referred to the Nicaraguan constitutional government.

The FNT recognizes this is the constitutional government of this country. No one, not even the FSLN, is casting doubts about that fact. I interpret past developments as trials the government had to cope with, and maybe another government would have been undone by them. The little boat was not so fragile after all. I think everyday . . . [changes thought] What truly strengthens someone in life or a government are difficulties. I would be concerned as presidency minister if we had had three months without any problems. I feel at ease that we overcame those problems, and the people of Nicaragua saw and sensed it and observed how the government slowly solved the crisis, without resorting to old methods.

That is why I remain optimistic. The outlook for the future seems very promising. I feel that when we celebrate the first year of our government, we will look back on those things and laugh at the dangers we experienced. I think Nicaraguans will gradually cherish what a truly democratic government is. I think we must be very fair-minded. This government is based on the opportunities the previous government opened to democracy. Here we must be clear. There are people who do not want to acknowledge anything. But we would not have a democratic government here if it had not been in part because the previous government was committed to allow the elections process. Somoza never allowed it. He had to go, leaving behind the people shooting at each other. It is important to recognize that.

I feel a little tolerance is needed here. A little understanding is needed. This country does not belong to anyone but to everybody. No Nicaraguan, not even the president, the presidency minister, or any minister, can say this country is mine not yours. We cannot exclude anyone—Sandinists, contras, those who left the country, those who stayed, even Somozists, so long as they follow the law and the Constitution. Anyone opposing the Constitution—whether Sandinist, Somozist, UNO supporter, or government supporter—must pay the consequences. I think that is what people will fully realize. Democracy, which has lived in the hearts of Nicaraguans for so many years, means wanting to abolish every trace of dictatorship or authoritarian rule. Since we are just beginning to do that, people get edgy. We are not used to

democracy, but as time goes by people will see that that benefit brings countless blessings and allows the economy to improve. I think that as times goes by, Nicaraguans will become so enthusiastic about democracy that I do not doubt that when this government ends, Nicaraguans will be much more democratic than possibly the rest of Central America and possibly the rest of Latin America.

Why? Because we will be able to compare the virtues of a democratic government with the damage caused by war or dictatorship. I feel that will be the best contribution of this government to the history of his country.

[D. Lacayo] We want to thank you for being here. We want to thank our listeners for allowing us to share these important concepts because they dispel many doubts. Some commentaries made in private or in public were answered by the persons mentioned in those commentaries. The program "Democracy on the Move" will follow Mrs. Chamorro's policy. It will be strong and firm. Things will be stated firmly and strongly when necessary, but we will always appeal for reconciliation. Mr. Lacayo, do you have any brief comments for the people of Nicaragua?

[A. Lacayo] I want to thank you, all the Sistema Nacional de Television [program was also carried on television] employees, and all listeners. I hope you were not bored by the long explanation. Good evening.

[D. Lacayo] Good evening and thank you.

Argentina

Document Discloses Alleged Conspiracy

PY2507005290 Buenos Aires NOTICIAS
ARGENTINAS in Spanish 2235 GMT 24 Jul 90

[Quotation marks as received]

[Text] Buenos Aires, 24 Jul (NA)—According to a secret document that is in the hands of government officials, an alleged conspiracy led by Colonel Mohamed Ali Seineldin and civilian groups—known as the "Spring Plan"—was to have begun on 31 August 1990 with an incident at an Army unit, followed by a "symbolic seizure" of the Army Staff Headquarters with the objective of installing a new chief of staff.

The language used in the five-page document is completely different from that used in intelligence reports that commonly circulate in government offices. Such reports usually come from the secretariat of state intelligence or from the chiefs of the intelligence services of each military branch.

A high-ranking government official who released a copy of the document to NOTICIAS ARGENTINAS (President Carlos Menem read the document last week) refused to identify the official agency that supplied the document, although it is estimated that it may have been supplied by police sources.

The document states that the operation should begin with a "first phase" on 31 August. This phase will consist of an "incident" at an Army unit against the "chief of staff. This attitude, far from remaining isolated in that unit, might receive the support of other units."

The document adds that "the supporters of Seineldin will magnify the incident to ignore the authority of current Chief of Staff General Bonnet and of almost all Generals and/or Colonels."

"If an impasse follows, Colonel Seineldin will appear, and it has not been ruled out that he may symbolically seize the Libertador building or another major military unit," the document adds.

As is common in this type of case, the document bears no identification imprints, seals, or signatures. Analysts believe that this proves the authenticity of the document, because false documents bear many imprints and authentic official seals.

The document says that some "mediators," including Justicialist Party members, will submit to the president a "proposal for a solution" consisting of the designation of a general (his name is not known) to replace Gen. Bonnet."

"A second phase will be set in motion if this first proposal is not accepted," the document goes on, adding

that the second phase will basically consist of the "radicalization of the crisis, ignoring the legitimacy of the authority of President Menem, and seeking the support of the other branches."

The document says that "the military sectors that support Seineldin, in commando-type actions, will take over and control (sabotage is not ruled out) strategic targets."

Point "C" of the second phase says: "Execution (killing) of inspected targets." Point "C" mentions the names of a well-known radio and television journalist and of a nationalist militant who is famous for his scandalous reports. Point "C" also mentions some Radical Party coordinating board members.

Aldo Rico's civilian supporters will join in during the second phase, not for undertaking political action but for "providing military support to the operations."

The document says that "as Seineldin himself put it, under these circumstances they will have to go to the end, and it is obvious that the ultimate objective is the seizure of power."

Once power is seized, the military will rapidly return to their barracks, leaving civilian supporters in [words indistinct] posts, "but their actions will be under strict and permanent military supervision and control."

In that case, the plan of government to be enforced will be designed by civilians, among whom "the so-called Verb Group will play the priority role."

The document adds that the 31st of August has not been selected out of whim but during an alleged recent meeting between Seineldin and supporting officers. During the meeting, Seineldin reportedly said that "the time for metaphysics is over. The time for shooting has arrived."

The document says that the officers allegedly told Seineldin that "we will wait for you until 31 August, Colonel. If you do not take action, no one will be able to stop this; we will take action ourselves."

Concerning the other branches, the document says that the military and the civilians who are close to Seineldin have given assurances that they count on the support of sectors in the Air Force and the Navy—in which case the name of a rear admiral on active duty is mentioned.

In the case of the Air Force, the document mentions the surname Estrella, which clearly alludes to a retired commodore who attempted to seize the metropolitan airport and who was pardoned by President Menem.

"As for the Federal Police, they (the followers of Seineldin) boast that the police action will be perfectly neutralized and that the police will be confused with false reports."

As for the "psychosocial" factor, the document says that the plotters will await a worsening of the social crisis." According to the document, leader Saul Ubaldini will play a relevant role in such social conflicts.

The document says that "concerning high-ranking Army officers, they might begin a campaign reporting corruption not only against government sectors but against members of the Army leadership as well."

President Menem Returns to Official Activities

*PY2407174890 Buenos Aires TELAM in Spanish
1724 GMT 24 Jul 90*

[Excerpt] Buenos Aires, 24 Jul (TELAM)—President Carlos Menem, who returned to his official activities at Government House after a one-week rest at the Olivos residence due to a cold, met privately and separately with his closest aides.

The chief of state arrived at Government House at 0945, and he immediately met with Luis Macaya, deputy governor of the Province of Buenos Aires.

The president then met with Economy Minister Erman Gonzalez and Public Finance Under Secretary Raul Cuello. Both officials left Government House without speaking with the press. [passage omitted]

Bank Confidentiality May be Discussed

*PY2507015290 Buenos Aires NOTICIAS
ARGENTINAS in Spanish 2222 GMT 24 Jul 90*

[Text] Buenos Aires, 24 Jul (NA)—Raul Granillo Ocampo, legal and technical secretary of the presidency, did not rule out the possibility that President Carlos Menem may personally discuss with his U.S. counterpart, George Bush, the elimination of banking confidentiality concerning accounts of Argentines in the United States.

Granillo said: "Although the Foreign Ministry has stated that there have been no formal contacts in this area, it should be stated that the president would like to move further on this subject."

He added: "In this context, there is a common desire to find out the source and destination of funds funneled out of Argentina and the United States is interested in avoiding the laundering of drug money."

Soviet Environmental Experts Visit Salta

*PY2407142490 Buenos Aires TELAM in Spanish
1209 GMT 24 Jul 90*

[Text] Salta, 24 Jul (TELAM)—Pyotr Palgunov, director of the Moscow Institute for Environmental Protection, and Soviet expert Aleksandr Arkhipov are visiting Salta to analyze water contamination problems and possible solutions.

This visit is in response to an agreement signed by Salta Mayor Alberto Javier Alderete during his official visit to the Soviet Union in 1989. The Soviet experts have indicated that contamination "is a worldwide problem" and have suggested various measures that are used in their country to overcome this problem.

On 25 July they will meet again with Rafael Lore Quevedo, Salta public works secretary—they met with him 23 July—to outline some basic points. The two Soviet citizens also met with authorities of Salta's Sanitary Works Directorate and with Salta Town Hall officials. They will return to Buenos Aires on 26 July.

PRC Invites Officers for Crowd Control Advice

*PY2507032490 Buenos Aires LA PRENSA in Spanish
21 Jul 90 p 6*

[Editorial: "To Repress Without Killing"]

[Text] The PRC Government has recently invited senior Federal Police officers to take part in a program of lectures and exchange of experiences on urban order and riot control "without resorting to weapons that may prove mortal," the news stated. Apparently, the Beijing authorities chose the Argentine police forces to attend the lectures and debates after appraising the procedures used by the squads specially trained in dismantling street riots in other parts of the world.

Without ignoring the fact that a foreign government has recognized Argentina's effectiveness in this type of operation, there are other aspects of this issue that should be analyzed. First, we are surprised with the PRC officials' interest in training its forces to control violent mobs. Second, the fact that a high-ranking official, such as the deputy minister of public security, was chosen to head the PRC officials who welcomed the Argentine policemen to Beijing clearly showed that the PRC Government is concerned about the issue. This also shows that the matters to be discussed during the lectures and debates would not be a mere "exchange of experiences among professionals." The political leaders are probably foreseeing massive public protests, similar to those that moved the world last year.

It seems that, under an apparently calm surface, the waters are still being violently stirred. This is why those responsible for controlling public order in the Asian nation are apparently ready to adopt new tactics to face inflamed demonstrators, because the tactics employed so far proved to be harmful to those involved. The massacre of students in Tiananmen Square on 4 June 1989, however, was not the result of repressive procedures, and the summary trials and executions that followed the barbaric massacre were not the result of mere tactical maneuvers either.

We know that the massacre of peaceful demonstrators—which covered the entire Communist apparatus with blood—was perpetrated by tanks and policemen who shot unarmed youths at random. Beyond any discussion on the virtues of methodology in general, the despicable procedures for preserving the order at Tiananmen Square reflect a clear disregard for human life, which is inherent to all Marxist regimes.

The changes in tactics that the Chinese intend to implement with the help of the Federal Police mean little.

What the PRC fears most now is the possibility of becoming isolated from the rest of the world. This is why they want to avoid becoming the target of international criticism as a result of incidents similar to Tiananmen. All the PRC Government wants now is that their security forces repress the people without killing anyone, and that the sound of the bayonets does not erase the smile on Mao Tse Tung's lips, which is seen in the gigantic official portraits that decorate every street corner in Beijing.

Former Member of ERP Killed, Another Arrested

PY2407172090 Buenos Aires DYN in Spanish
1200 GMT 24 Jul 90

[Excerpts] La Plata, 24 Jul (DYN)—Two former members of the disbanded People's Revolutionary Army (ERP), who were the objects of an intensive search on charges of looting supermarkets last year, engaged in a shootout with the police. One was killed, and the other wounded and arrested.

The clash took place at dawn today after they tried to rob the home of a merchant in Villa Ballester neighborhood, Buenos Aires. This information was officially disclosed this evening by La Plata Federal Judge Manuel Blanco and by retired Lieutenant Colonel Carlos Pombo, Buenos Aires under secretary for security.

The dead man has been identified as Ricardo Canete, regarded as a dangerous individual. Gerardo Romano sustained a bullet wound in the leg during today's clash. In May 1989 the two participated in an incident during which a police officer was killed in the midst of the social violence that prevailed at that time.

Canete and Romano were well armed because they fired two nine-mm pistols and even threw two hand grenades at the police squad that ordered them to halt. However, the grenades did not go off.

Judge Blanco stated: "We cannot talk about a subversive resurgence", but said that he had no doubt the men were members of a terrorist "cell".

Blanco added that this cell might have ties with alleged terrorists from Cordoba and Rosario and also with groups that have allegedly acted in San Nicolas (Buenos Aires Province), and Villa Constitucion (Santa Fe).

During a news conference Blanco disclosed that Canete and Romano belonged to the ERP—a leftist terrorist organization that was active during the 70's—and that they then became members of the so-called "Revolutionary Tendency" [Tendencia Revolucionaria]. [passage omitted]

Villa Ballester police authorities at first said that the two individuals were just common criminals, although they noted that the grenades were "memories of time past."

Early last night, Judge Blanco and Under Secretary Pombo officially disclosed information on the case and about Canete and Romano's ties with extremist groups.

The episode for which they were intensively sought by the police took place on 24 May 1989 in Villa Diamante, Lanus town. [passage omitted]

Canete and Romano were carrying two high-power hand grenades, a MK-2 and an EAM-5 (both Spanish-made), which they threw at the policemen. However, the grenades did not go off due to problems in the detonating mechanisms. [passage omitted]

Romano, who was wounded during today's clash, has been sought since 1987 when he was caught distributing ERP pamphlets in San Nicolas. Two other members of this cell named Orellano and Dellavedova are being sought for the same reason.

Judges Osvaldo Fernandez Gano and Gerardo Larrambeber, for jurisdictional matters, are hearing the case of today's attempted robbery and shootout in Villa Ballester. However, Judge Blanco disclosed details of the case since he is in charge of the case for which Canete and Romano were originally being sought.

Bolivia

Interior Minister Discusses Drug Seizures

PY2507033690 La Paz Television Boliviana
Network in Spanish 0030 GMT 25 Jul 90

[Excerpts] The Interior Ministry's Social Defense Undersecretariat today celebrated its third anniversary with a mass. Interior Minister Guillermo Capobianco was present at the ceremony. He received an award in recognition of his support for the tasks of the aforementioned undersecretariat. Upon receiving the award, the interior minister expressed his appreciation. [passage omitted]

For his part, upon expressing his appreciation for the award, Interior Minister Guillermo Capobianco said that Bolivia is the first country to be internationally recognized for its actions in the struggle against drug trafficking.

[Begin Capobianco recording] I am also saying it in your name: Mr. President, mission accomplished.

The results are significant. Concerning drug seizures, we have surpassed by six times the ceiling figure estimated for the 1990 operations, that is, 10 tons and its equivalent in hydrochloride. We have already surpassed it, especially after that important operation carried out 48 hours ago. [end recording]

In conclusion, General Lorgio Justiniano, the Special Antinarcotics Force commander, said that work is normal and positive.

[Begin Justiniano recording] Work is normal. Some activities are outstanding, such as a seizure of about 467 kg of cocaine that was carried out in the Chapare region in Cochabamba. [end recording]

Naval Chief Berates Chilean Counterpart

PY2407222290 Buenos Aires TELAM in Spanish
1547 GMT 24 Jul 90

[Text] La Paz, 24 Jul (TELAM-DPA)—Bolivian Naval Commander Admiral Anibal Gutierrez has labeled the position of his Chilean counterpart "antihistoric" because he does not recognize the Bolivian right to recover its sea coast which was lost in a war 111 years ago.

Gutierrez said: "The Bolivian Navy was surprised to learn from the press that Chilean Naval Commander Admiral Jorge Martinez opposes any arrangement for solving the Bolivian-Chilean territorial conflict, which has darkened the relations between the two countries for over a century.

The local press yesterday published the comments made by Adm. Martinez who rejected the Bolivian claim by saying that his country "has no pending problems with Bolivia."

Bolivian President Jaime Paz Zamora said that his country should make its claim "in accordance with current terms." He also confirmed that he will hold an informal meeting with Chilean President Patricio Aylwin at the inauguration of Peruvian President-elect Alberto Fujimori on 28 July in Lima.

During a conversation with journalists, Paz Zamora did not disregard the possibility of talking about the Bolivian maritime claim among the various issues which normally emerge under this kind of situation. He insisted, however, that it will be an informal meeting.

Bolivia lost its sea outlet during the Pacific War with Chile in 1879 and its efforts to recover it through diplomatic means did not succeed.

Brazil**Economy Minister Reviews European Tour**

PY2407195790 Sao Paulo FOLHA DE SAO PAULO
in Portuguese 20 Jul 90 p B-4

["Text" of interview with Economy Minister Zelia Cardoso de Mello by Brazilian journalists on 19 July in Rome]

[Excerpts] [Cardoso] The objectives of the trip have been fully accomplished. This is my first trip to Europe as Brazil's economy minister. I was accompanied by advisers and Brazilian businessmen, and I met with high-ranking officials in the various countries and representatives of the private sector and the financial community. The government team and the businessmen who accompanied me followed a parallel agenda in which important topics were also considered. Our objective, which is to show the deep modifications that we are introducing in Brazil under the leadership of President Fernando Collor, has been fully achieved.

Today EEC countries are very interested in what is happening in Brazil and are following developments closely. The important thing for us, however, is that all of them have clearly told me that they support the Brazilian Government's program, the program that is being implemented.

I believe that the trip has been totally successful; these countries are very important within international organizations and economic cooperation agencies, and we will be negotiating our foreign debt with some of those agencies.

[Liza Maria Silva of Radio Eldorado] According to reports from the economic sector, Brazil will have to meet three conditions in the international sector for Italy to disburse funds earmarked under the Italian-Brazilian cooperation agreement. First, Brazil has to submit a reliable stabilization program to the IMF. Second, it has to reschedule debts owed to Paris Club members on the basis of bilateral obligations. And third, it has to reschedule payments of obligations owed to the Italian Government. In terms of these three conditions, at what point are the negotiations with the IMF, the Paris Club, and the Italian Government?

[Cardoso] I would like to say something on this topic. There is something wrong with your information, because what we are actually waiting for in connection with the Italian-Brazilian cooperation agreement is the decisions by the respective congresses. Italy has never conditioned any loans or cooperation on possible agreements with the IMF. This is the first thing I wanted to say.

Second, concerning the points you have mentioned—and as I have said before—I do not think there will be any difficulty. We designed our economic program on instructions from President Collor. The president believes that Brazil must somehow find its own course, that it must enforce an internal adjustment plan that will promote economic growth.

The economic program that we have designed shall be submitted to and analyzed with the IMF. We believe that there will be no difficulties; we believe that we will reach a favorable agreement with the IMF. We expect the same with the Paris Club.

Yesterday I met with Mr. Trichet, president of the Paris Club, and we had a very cordial conversation. He is following our economic program and he is very familiar with it. I believe, therefore, that there will be no difficulties with the Paris Club.

As for bilateral agreements, what we have to do is resume the process that was interrupted before the end of the previous administration's term. The previous government had to continue those bilateral agreements; it had to sign those agreements and arrange a series of measures. This, however, was not done. Consequently, during this trip we created the conditions—through the parallel meetings held by my advisers—to speedily sign those agreements. [passage omitted]

[Rocco Morabito of O ESTADO DE SAO PAULO] What reactions did you hear, during your contacts in Italy, to the decision announced by Presidents Collor and Menem to establish an Argentine-Brazilian common market in 1994?

[Cardoso] There is great interest in everything Brazil is doing with Latin American countries. When I discussed that topic I also mentioned Latin American-integration and Brazilian-Argentine integration. The issue received considerable attention during a meeting I held with French Economy Minister Pierre Berezgoy yesterday.

[Araujo Neto of JORNAL DO BRASIL] How much is the Brazilian foreign debt?

[Cardoso] That question is a bit strange. In total, the Brazilian foreign debt is considered to stand at approximately \$105 billion. [passage omitted]

[Eduardo Tessler of O GLOBO] Italy enforced a radical land reform program after World War II. This reform fostered growth and turned Italy into the world's fifth-largest industrial power. Did the meeting with the Italian minister of agriculture produce any new contributions for Brazil's land reform?

[Cardoso] No, the talks with the minister centered on major topics like the GATT. As is known, Brazil has its own position within the GATT. From a general viewpoint, we have some differences with the EEC's position. The EEC actually gives huge subsidies to farmers, so competition between Brazilian and EEC farm products is not based on equal conditions. British and Italian participation in the EEC is not like that of the other EEC members. The positions of Italy and Great Britain are closer to those of Brazil and the United States, which favor the elimination of such subsidies. Our conversation addressed that issue. We wanted to (?reaffirm) our position in favor of the elimination of the subsidies. We will continue to uphold this position within the GATT, because this has very negative effects on Brazilian agriculture.

[Dias Lopez, VEJA magazine] What is the Brazilian Government's strategy to deal with European unification that is taking place in Germany, the EEC, and COMECOM? Have you talked about this during your European tour?

[Cardoso] The fact is this: Compared to East Europe, Brazil offers many advantages, many positive points. Brazil has democratic institutions that are well established, an aggressive entrepreneurial class that is capable of operating in response to market signals, managerial capability that can perform well with market signals, a relatively developed economy, natural resources, and manpower. Therefore, despite the relevant and important process of the developments in East Europe which we have all plainly seen, we do not believe that the European community's attention will be drawn away from Latin America, from Brazil specifically. Precisely because of the advantages Brazil has, it won't. The

change of government is another fact to be taken into consideration. I want to recall here what British Prime Minister Margaret Thatcher told me during our meeting: "Well, and in addition to that, you have a new president who has demonstrated to the world his courage to make decisions and changes. So, with that president, everybody should feel like going to Brazil." This is exactly what Mrs. Thatcher told me. What all these considerations are telling us is: that, beyond the fact that what is happening in East Europe is very important, Brazil will not lose its chance to intensify its trade and investment opportunities, precisely for the reason that Brazil can offer all the advantages I mentioned before, that it has a program that is being implemented, and particularly that it has a President who has already shown the world what he actually intends to do. [passage omitted]

Bolivian Ministers Arrive for Bilateral Talks

PY2407181290 Madrid EFE in Spanish 2232 GMT
23 Jul 90

[Text] Brasilia, 23 Jul (EFE)—It was reported today that Bolivian Foreign Minister Carlos Iturralde Ballivian and Energy and Hydrocarbons Minister Angel Zannier are in Brasilia to analyze oil matters with the Brazilian Government.

Tomorrow Iturralde will meet with his Brazilian counterpart Francisco Rezek. Today he met with Marcos Castrioti Azambuja, Foreign Ministry secretary general for political affairs.

In 1988 Brazil and Bolivia signed oil agreements, which provide for the construction of a gas pipeline between the Bolivian city of Santa Cruz and the Brazilian city of Corumba, among other things.

Itamaraty press spokesman Jose Vicente de Sa Pimentel has said that thus far there have been "technical problems" in implementing the project. According to opinions voiced in Brazil "the implementation of these agreements represents an important step."

Sa Pimentel told EFE "the agreements will help the two countries."

The Braspetro [PETROBRAS International, Inc.], a foreign trade subsidiary of Petrobras [Brazilian Petroleum Corporation], has proposed the creation of a joint venture to construct the gas pipeline.

Zannier will meet Infrastructure Minister Ozires Silva while a meeting between President Collor de Mello and Iturralde Ballivian is still to be confirmed.

In Brasilia Iturralde Ballivian will also report on President Jaime Paz Zamora's upcoming visit to Brazil. The date for this visit has not yet been established.

Central Bank Resumes Payments to Paris Club*PY2407221890 Sao Paulo FOLHA DE SAO PAULO in Portuguese 21 Jul 90 p B-8*

[Excerpt] Brasilia—As a result of the talks between 36-year old Economy Minister Zelia Cardoso de Mello and the international financial community, the Central Bank yesterday decided to resume payments to the official international credit agencies linked with the Paris Club. Because of the centralization of foreign currency payments, the Central Bank is retaining overdue obligations worth \$50 million. Overdue obligations will reach \$120 million this year.

The decision was made official through two resolutions. Exchange Department Chief Gilberto Nobre, 48, and Antonio Carlos Monteiro, 36, chief of the Foreign Capital Supervision and Registration Department, explained that payments to international agencies will improve relations with the international financial system.

However, only the payment of the obligations on the contracts signed after 31 December 1983 will be resumed. The funds that were received after that date—which is called the "cut off date" [preceding three words in English] (this date is a deadline for the negotiations with the Paris Club)—are called "fresh funds." Unpaid obligations that fell due before that date amount to \$1 billion. At the end of this year, another \$2.1 billion owed to the Paris club will fall due. Payment of these obligations will depend on the negotiations that will begin now. [passage omitted]

Chile**Aylwin-Paz Zamora Lima Talks Termed 'Unofficial'***PY2407204590 Santiago Radio Chilena Network in Spanish 1700 GMT 23 Jul 90*

[Text] President Patricio Aylwin and his Bolivian counterpart, Jaime Paz Zamora, will hold unofficial talks at the Peruvian presidential inauguration. This information has been confirmed by Foreign Minister Enrique Silva Cimma.

[Begin Silva Cimma recording] We have to take into account that it is practically a fact that there will be talks because President Aylwin will occupy the first place in the visiting presidents' stand in Lima, while President Paz Zamora will occupy the third place. That is, they will be practically side by side. Therefore, we suppose that if they are side by side, they will obviously talk. The talks, however, will not be official. [end recording]

The minister added that the tour President Aylwin will begin tomorrow shows that Chile is extensively integrated with, not only Latin America, but also the rest of the world.

He said: Our country, as a Latin American nation, wants to foster integration.

Concerning the Andean Pact, Silva Cimma said that, because of economic policy differences, no conversations have thus far been held on Chile's possible return to the Pact. He said, however, that efforts will be made within the Pact to promote relations with the other nations of the continent.

Will Not Discuss Landlocked Situation*PY2507013290 Santiago Domestic Service in Spanish 2300 GMT 24 Jul 90*

[Excerpts] Foreign Minister Enrique Silva Cimma has explained that the Bolivian landlocked situation will not be addressed during the meeting that Chilean President Patricio Aylwin and his Bolivian counterpart Jaime Paz Zamora will hold in Peru. The Chilean president will attend the Peruvian inauguration on 28 July, when he will meet with the Bolivian president.

[Begin Silva Cimma recording] They know that for the time being that issue is not negotiable with Chile. Consequently, the presidents will talk about other issues, but not about that topic, correct? Chile has a very clear position on the issue. Yet you should not forget that there will be a new OAS meeting in Chile next year.

In our relations with Bolivia, we would like to make progress in many fields outside the landlocked situation. Since we do not agree on this topic, it is obvious that we should not continue to insist on it at this time. [end recording]

The minister said that concerning our relations with Bolivia, we are interested in promoting bilateral ties in the economic and cultural fields and also through the exchange of business missions. [passage omitted]

Asked about a possible meeting in Lima between Aylwin and Fidel Castro, Silva Cimma said that no decision has been made in this regard.

Mixed Reaction to Baron Crespo's Speech*PY2507020690 Santiago Radio Cooperativa Network in Spanish 2300 GMT 24 Jul 90*

[Report by Pedro Arce from Valparaiso]

[Text] European Parliament Chairman Enrique Baron Crespo delivered a controversial speech at the special session of Congress this afternoon. As planned, the Chilean senators and deputies received Baron Crespo in a special session this afternoon. Baron Crespo's speech, however, created unrest among the right wing congressmen and was supported by the congressmen of the Coalition of Parties for Democracy. In his message, Baron Crespo firmly called for the release of all political prisoners. On one side, several right wing congressmen immediately began to bang on their desks while others even booed the chairman of the European Parliament. On the other side, the congressmen of the Coalition of Parties for Democracy cheered and applauded Baron Crespo's remarks.

Here is part of Baron Crespo's speech:

[Begin Baron Crespo recording] We hope that all political prisoners who are still being held in the jail can soon recover their civil rights and that current administration decisions may provide justice for the Chilean people. As your president said in his inauguration speech... [lengthy applause] As President Aylwin said in his inauguration speech, may there be no more human rights violations in Chile. [end recording]

Only congressmen who support the current administration applauded when Baron Crespo ended his speech. The Independent Democratic Union and National Renewal congressmen remained silent.

After Baron Crespo's message, representatives of each party bloc had to address the session. Carlos Dupre spoke in the name of the Christian Democratic Party, Ricardo Nunes in that of the Socialist Party, and Ricardo Navarrete in the name of the Radical Party.

The session then ended abruptly because the representatives of the right wing parties, Alberto Espina and Juan Antonio Coloma, refused to address the session in protest of the remarks made by the chairman of the European Parliament.

Right Accuses Crespo of 'Meddling'

PY2507024890 Santiago Radio Cooperativa Network
in Spanish 2300 GMT 24 Jul 90

[Report by Fidel Oyarzu from Valparaiso]

[Excerpts] The right wing congressmen who refused to address the special session of the Congress plenum in honor of European Parliament Chairman Enrique Baron Crespo charged the visiting chairman with meddling in Chilean domestic affairs. [passage omitted]

In a news conference granted right after the congressional session, Baron Crespo rebutted the remarks by the right wing congressmen by saying that human rights have no borders. Baron Crespo, who was in the company of the other members of his delegation, deemed the right wing congressmen's attitude normal and mentioned a similar incident that occurred with Ronald Reagan.

[Begin Baron Crespo recording] [passage omitted] The protest was so silent that I did not even notice it. As a matter of fact, one should act normally in Congress and be able to express one's own opinion. I would like to have heard their opinion. Compared to protests at the European Parliament, today's protest was very mild. [end recording]

IDB, World Bank To Grant \$1.8 Billion in Loans

PY2407143890 Santiago Domestic Service
in Spanish 1100 GMT 24 Jul 90

[Excerpt] Sergio Molinas, head of the Planning and Cooperation Ministry, has reported that for the first time

in Chilean history, the IDB [Inter-American Development Bank] and the World Bank will grant the Chilean Government loans totaling \$1.8 billion, which will be used to implement social programs.

Molinas said that these loans will be added to revenues from tax reform and to donations to be made in installments by some European countries.

According to Molinas, the increase in social funds will help considerably to alleviate the severe poverty by improving the health, housing, and education sectors. [passage omitted]

PCCh Admits Decay of Marxist-Leninist Doctrine

PY2407202290 Santiago Domestic Service
in Spanish 1100 GMT 24 Jul 90

[Text] Jorge Insunza, leader of the Communist Party of Chile [PCCh] political commission has admitted that the Marxist-Leninist Doctrine is facing a critical situation at the international level and that changes should be made to suit the new times.

[Begin Insunza recording] All Communists, including the Chileans, are confronting a crisis as a result of which changes should be promoted in many aspects of the Communist Party policy. These changes call for new definitions in the area of theory, politics, and party tradition. The changes must be suited to the new times, considering the failure in several socialist countries of a method of building socialism by Stalinist concepts. We reject these concepts, but still we have to examine them in depth to determine how much they influence our party life and our political propositions.

Insunza added that in view of this crisis it is normal to hold even strong debates within the PCCh, a political organization which is about to promote a renewal process. [end recording]

It is normal to confront certain unfavorable situations under this condition such as the resignations submitted by four members of the PCCh central committee including that of Fanny Pollarolo [word indistinct]. She made this decision against the will of the PCCh leadership. She said, however, that she will continue to discharge her duties at a grassroots level.

Concerning Luis Guastavino [member of the PCCh Central Committee], Insunza said that we will try to make him agree to participate in a debate, but a debate which will respect the PCCh rules.

Court Orders Toro's Return to Generals Cadre

PY2507023490 Santiago Radio Cooperativa Network
in Spanish 2300 GMT 24 Jul 90

[Excerpts] The Fourth Appellate Court has ordered the immediate reinstatement of Investigative Police Director General Horacio Toro into the retired generals cadre. [passage omitted]

Lawyer Manuel Guzman Vial has said that the Court deemed the Retired Generals and Admirals Corps' decision to dismiss Gen. Toro was illegal and violated Article 19, Item 15, of the Constitution that establishes that a person is free to enter and remain in any institution. As we recall, Gen. Toro was expelled from the Retired Generals and Admirals Corps after saying, in an interview to Television Nacional on 4 June, that it would be convenient if General Augusto Pinochet, Army commander in chief, resigned his position. [passage omitted]

Colombia

Pablo Escobar 'Manuscript' Found in Magdalena

PA2407134290 Bogota Inrvasion Television
Cadena 2 in Spanish 0000 GMT 24 Jul 90

[Text] SEMANA magazine today disclosed details of a manuscript presumably written by Medellin Cartel chief Pablo Escobar Gaviria, a document the authorities found in a cache discovered in Middle Magdalena, Antioquia Department. Contrary to expectations, the 30-page document seized does not constitute a draft autobiography or a confession of crimes. Here's Amparo Ponton.

[Begin Ponton recording] The manuscript is a disorganized compilation of annotated newspaper clippings and ideas on a host of topics from the war in Medellin communities to the U.S. invasion of Panama, including the murders of top leaders like General Miguel Maza Marquez, chief of the Administrative Department of Security [DAS], and of the national government.

As for the war in Medellin, the author regrets the constant deaths of policemen and notes that newspapers fail to report that, simultaneously, the bodies of up to 20 young men have turned up in Medellin's low-income sectors in mass murders that are never fully clarified. The author blames the National Police for those murders. That is why one of the document's paragraphs reads: Not just 1,200 people oppose all of the acts of extermination by the police, but, instead, all of us do and must oppose them. On the subject of the murders of top leaders, he document asks: What is one to think when the top government echelon authorized, approved, and endorsed the murders of politicians and enemies, as we witnessed? What did Maza Marquez do at the DAS? Where are the results of investigations on some previously noted murders of well-known people? The author strongly complains crimes go unpunished.

He talks of the feeble and criminal ineptness of our police, judicial, and control systems, and notes 100 out of 100 acts of wrongdoing are never remedied under our current judicial system. The author feels that he should devote some space to a list of what he refers to as big mouths. In another comment, he mentions U.S. President George Bush in relation to Manuel Antonio Noriega. The text reads verbatim: There is nothing more dangerous than a former friend.

It goes without saying that the document vehemently justifies the sale of cocaine, defending it as an activity no more obscene than the sale of alcohol and tobacco. [end recording]

Three More Policemen Killed, Toll Now 210

PA2407193790 Madrid EFE in Spanish 2210 GMT
23 Jul 90

[Text] Bogota, 23 Jul (EFE)—It was officially reported today that three more policemen were killed in Medellin in separate attacks by unidentified individuals. One policeman was killed inside his own home.

With these latest murders, the number of Medellin policemen killed so far this year has reached 210.

Police sources disclosed that policeman Marcos Cifuentes was gunned down inside his own home in the Castilla neighborhood where unidentified persons burst into his residence, killed him, and fled.

A few hours later, another group of unidentified persons entered a loan company and murdered policeman Julio Roberto Ramos Salas and the company's private security guard.

The third murder took place on a street in the Aranjuez neighborhood, where gunmen murdered on duty policeman Libardo Sandoval Mendoza.

The outbreak of murders in Medellin, 250 km northwest of Bogota and considered Colombia's most violent city and one of the world's most unsafe, is attributed by authorities to paid assassins on the drug mafia's payroll.

Ecuador

Bombs Explode at Energy and Mines Ministry

PA2507044290 Quito Radio Quito in Spanish
2300 GMT 24 Jul 90

[Text] Two powerful bombs exploded at the Energy and Mines Ministry in Quito at 0200 today.

One of the bombs was placed at the entrance to the Hydrocarbons Directorate, and the other at the entrance to the Energy and Mines Ministry. The blasts shattered windows at the ministry and nearby buildings. According to Acting Director of Hydrocarbons Hector Contreras, the police are investigating the incident. He also said that the reason for the attack is unknown.

[Begin Contreras recording] The explosion occurred at 0200, and [words indistinct] under investigation. However, we have no further information. Regarding the actions taken by the authorities (words indistinct) police authorities have offered to patrol by day and night. That is all I can tell you right now.

[Reporter] Are there any clues as to why this attack was carried out?

[Contreras] We only know about the explosion itself, but [words indistinct] the reasons for the attack are unknown. [end recording]

Paraguay

Rodriguez: State Apparatus To Be Streamlined

PY2407220290 Asuncion EL DIARIO in Spanish
22 Jul 90 Rural Fair Supplement p 3

[Text] Upon officially opening the Expo '90 [International Fair of Industry, Commerce and Services of Paraguay], President Andres Rodriguez yesterday said that the government is placing special emphasis on streamlining the state apparatus in order to reduce its size to meet actual requirements. He reiterated that his government upholds the decision to respect and make all respect private property.

To begin with, the president congratulated the cattlemen for the excellent specimens exhibited, which demonstrate the high degree of quality reached. This fills the cattlemen with pride, he pointed out.

The president pointed out that he also saw and appreciated the great effort of the national industrialists who are now exhibiting the product of the joint action of capital and labor.

Rodriguez reiterated that the government will continue to encourage, with appropriate measures, the real efforts of those who work and invest to increase the progress and the well-being of all Paraguayans.

The cattlemen applauded him when Rodriguez said: "I also ratify once again my decision, my government's decision, to respect and make all respect private property, a fact that is fully in keeping with the oath taken before God and before our fatherland to comply with and make others comply with the law."

Rodriguez added that observing the laws is not an optional power of the branches of the state. He emphasized that this is a constitutional imperative—on which the government's democratic system rests—and is the only guarantee for the peaceful coexistence of the citizens.

The president also indicated that the experience gathered from the different economic models applied in the development processes demonstrates that there is not a single, meticulous plan or a single formula to overcome the problems of underdevelopment. The president noted that economic development is now perceived as a long, pressing, and—quite often—painful process of learning from one own's experience.

The president said that his government is placing special emphasis on streamlining the state apparatus to reduce its size to meet the actual requirements of an efficient performance and favor the allocation of funds to the areas requiring urgent solutions, such as rural development, education, and public health.

The president noted that the government sympathetically views and will support the policy of promoting rural development, a policy aimed at creating job opportunities.

After pointing out that he was aware of the fact that the effectiveness of the public order and social peace are the decisive factors in encouraging productive development, Rodriguez remembered that the country is overcoming a long "period of authoritarianism and frustration." Therefore, he said, it is everyone's responsibility to face this new stage of democracy and freedom with a creative spirit.

Cabinet Reshuffle Reportedly To Occur 15 Aug

PY2507131690 Asuncion EL DIARIO in Spanish
25 Jul 90 p 7

[Text] A highly reliable source has told this newspaper that the new foreign minister, who will replace Luis Maria Argana, will not be installed until 15 August and that this change will take place within the framework of a Cabinet reshuffle.

The executive branch has apparently already decided who will be the next foreign minister, but his name will not be officially released until a few days before 15 August, which is also the anniversary of the city of Asuncion.

There will also be changes made among the other 11 ministries, but our source did not mention which ones.

The candidates for the Foreign Ministry position are still believed to be Colorado Party leaders, including Jose A. Moreno Ruffinelli, president of the Chamber of Deputies; presidential aide Miguel Angel Gonzalez Casabianca; and Senator Gustavo Diaz de Vivar.

Garcete Reaffirms Army Commitment to Democracy

PY2407173690 Asuncion ABC COLOR in Spanish
24 Jul 90 p 5

[Text] During a brief chat with ABC COLOR journalists, General Humberto Garcete, commander of the 1st Army Corps, has categorically stated that the Armed Forces will not participate in any conspiracy against the current democratic process. He added that the Paraguayan people can rest assured in this regard. Garcete also declined to comment on Luis Maria Argana's discharge from the Foreign Ministry "because this is the exclusive competence of the executive branch."

Gen. Garcete stated that the official Armed Forces position on Argana's removal can only be expressed by Chief of Staff Eumelio Bernal. He added: "It is improper for us to make statements of a political nature. This must be done by the proper institutions."

Asked about the Army's position regarding the statement Argana made at the Colorado Party Economists Association where he said he "is willing to conspire and carry out another revolution to prevent the Colorado Party's fall from

power," Garcete said: "The Armed Forces position is centered on the public statements made by the Army commanders. On more than one occasion we have expressed our commitment to the current democratic process."

Gen. Garcete said: "All military officers are subordinate to our commander in chief, and we are willing to fulfill the 2 and 3 February proclamation."

Garcete added: "Politicians are no longer knocking at the barracks doors."

On numerous occasions Paraguayan military officers have noted the importance of the institutionalization of the Army. They have also reaffirmed that they will wholeheartedly contribute to the democratic process initiated by the coup that ousted the Stroessner regime.

Garcete reasserted that the Armed Forces will not participate in any conspiracy against the current process.

Finance Ministry Issues Bad Checks

PY2407203890 Asuncion *EL DIARIO* in Spanish 22 Jul 90 p 10

[Excerpt] The Finance Ministry has issued bad checks to several international financial agencies because the Central Bank did not transfer an official compensation payment that Brazil made for the operation of Itaipu.

The Finance Ministry was not aware that the transfer was not made and, believing that the payment had been credited to its account, it issued checks to meet obligations with several international organizations.

The reasons why the Central Bank did not make the transfer are still unknown. The situation, however, caused an argument between the Finance Ministry and the Central Bank.

The Finance Ministry issued checks to the International Development Agency, to the Netherlands, and to Japan, all of whom were surprised at the fact that the checks were bad.

Despite the fact that the above obligations have already been met, there is still a disagreement between the Finance Ministry and the Central Bank. It has been learned that the Finance Ministry has brought the issue to the Nation's Comptroller General. [passage omitted]

Peru

Fujimori's Working Group Concludes Mission

PY2507025690 Lima *EL COMERCIO* in Spanish 20 Jul 90 p A1

[Text] The temporary informal working group appointed by President-elect Alberto Fujimori, which aimed to help Peru on economic and financial matters and to get immediate support for the preparatory measures to

reinsert Peru into the international economic community has concluded its mission.

Margaret Anstee, Hernando de Soto, Carlos Rodriguez Pastor, and Jesus Silva Herzog, in a letter addressed to Alberto Fujimori, said: "The road has been opened for Peru to normalize its external financial relations to have access again to important official foreign credits."

The letter also says: "Thanks to the goodwill found in the meetings on 29 June in New York it was possible to maintain a constructive dialogue at the highest level with the multilateral financial institutions and with the economic assistance agencies of various countries."

The letter adds: "We hope the new cabinet, which under your leadership will take over the responsibility of developing and carrying out the country's economic and financial policy, will be able to use the financial resources appropriately to support the objective of growth with equity, institutional reform, and the normalization of Peruvian relations with the international community."

The letter indicates that the group was able to tailor the basic guidelines of Fujimori's economic policies to the internal practice, and dispositions of the international financial organizations. The letter adds that there are sources for loans and direct assistance available to support investments and emergency social programs.

The group is also thankful to UN Secretary General Javier Perez de Cuellar who, with Fujimori, extended to the four experts the opportunity to help Peru by working in the financial working group.

Pennano Named Industry and Commerce Minister

PY2507130490 Madrid *EFE* in Spanish 0423 GMT 24 Jul 90

[Excerpts] Lima, 24 Jul (EFE)—Independent economist Guido Pennano was appointed today to serve as industry, commerce, tourism, and integration minister, filling one of the three vacant ministries in the cabinet of Peruvian President-elect Alberto Fujimori.

Juan Carlos Hurtado Miller, future prime minister and economy and finance minister, said in making this announcement that Pennano, with his knowledge of the position, "will reinforce the economic team" of the new government. [passage omitted]

Pennano, an economy expert who harshly criticized Alan Garcia's gradual policy for the administrative sector, stated that he will remain independent within the cabinet he is joining, while striving to reactivate and reinvigorate the industrial sector. [passage omitted]

67 Terrorists, Five Soldiers Die in Huanuco Clash

PY2407192090 Lima Television Peruana in Spanish
1800 GMT 24 Jul 90

[Text] The Army has killed 67 terrorists in a fierce clash that took place in Huanuco when a 300-man Shining Path column attacked the Army garrison in Buenos Aires town, Huamalies Province.

The terrorists, who fled after being defeated, are being pursued in the air and on land. It has been reported that one Army officer and four soldiers were killed in the clash.

Police Report Peasant Defense Patrol Deaths

PY2407144090 Madrid EFE in Spanish 0520 GMT
24 Jul 90

[Text] Lima, 23 Jul (EFE)—Peruvian police sources reported today that three members of the Peasant Defense Patrols (civilian militia), which battle against subversive groups, were murdered over the past weekend by Shining Path terrorists.

On 21 July in Huanta, an Andean department in Ayacucho, 575 km southeast of Lima, two members of the patrols were found shot dead with disfigured faces. The sources indicated that both men had been taken from their homes by a group of alleged Shining Path members, and a few hours later their bodies were found on the outskirts of Huanta.

From Huancayo, Junin Department, located in Peru's central mountain region, 315 km east of Lima, police have reported that on 20 July the president of the Vista Alegre Peasant Defense Patrol was murdered. Police reported that a column of more than 50 Shining Path terrorists raided Vista Alegre, Satipo Province, in the jungle department of Junin, and killed Juan Pariachi and wounded an undetermined number of patrol members. The terrorists threatened to kill all the patrol members if their organization insists on confronting the Shining Path.

On 20 July Lima was struck by a wave of terrorist violence that resulted in the death of four persons, including businessman Antonio Rosales, who was killed in an attack in eastern Lima, and in the destruction of three large commercial businesses with losses amounting to more than \$900 million [figure as received].

In Huaraz, capital of the northern department of Ancash, it was announced on 19 July that a Shining Path death squad had murdered a former mayor of San Marcos and his cousin, and that on the same day the Patay hydroelectric plant and a substation were destroyed. The region is still without electricity.

According to the Special Congressional Committee, in 10 years of political violence in Peru—the Shining Path began its attacks in May 1980—there have been more than 20,000 deaths and material damage of more than \$17 billion.

Alleged Subversives Attack Israeli Legal Adviser

PY2507030890 Lima Television Peruana in Spanish
0100 GMT 25 Jul 90

[Text] Alleged subversives this afternoon attacked (Jacobo Jason), legal adviser of the Israeli community in Peru. He was shot at close range while he was buying fruit on the ninth block of Javier Prado Avenue. He did not have any security protection.

He was immediately taken to a hospital where doctors said his life is not at risk. It is possible that the attack was carried out by people linked to the Arab Palestine [as heard] terrorist organization.

Uruguay

Economy Minister's Removal, Replacement Denied

PY2407213390 Montevideo Radio El Espectador
Network in Spanish 1600 GMT 24 Jul 90

[Excerpts] Alejandro Vegh Villegas, former economy minister, has categorically denied a report published in today's issue of LA MANANA newspaper that states he will replace Economy Minister Enrique Braga, who is to be interpellated by Broad Front legislators today.

In a telephone conversation from Buenos Aires, Vegh Villegas told Radio El Espectador that he has no knowledge of where this report originated and added that he has had no contact with either Colorado Party officials or government authorities.

Moreover, Juan Carlos Raffo, a member of the National Party's Herrera faction, stated that the newspaper report is completely false.

In today's issue, LA MANANA reports that Vegh Villegas will be the new economy minister as of 6 August because, whatever the result of today's congressional interpellation, Economy Minister Enrique Braga will leave his post as economy minister. [passage omitted] Senator Juan Carlos Raffo said the newspaper report stating that Alejandro Vegh Villegas will be appointed economy minister is completely false. The ruling party senator said the report could only be the result of a large imagination [word indistinct] political speculation.

Senator Raffo said that Braga's actions are not questioned at all and that he enjoys the government's full support. [passage omitted]

Guyana

Guysuco Sets Production Target Below 1988 Yield

FL2407175190 Bridgetown CANA in English
1545 GMT 24 Jul 90

[Text] Georgetown, Guyana, July 24, CANA—The state-owned Guyana Sugar Corporation (Guysuco) has set a production target of 105,000 long tons for the second

and final crop starting later this week. Achievement of this target would take the country's sugar production for the year to just over 161,000 tons, about 3,000 tons less than last year's production which, itself, was about 3,000 tons below the 1988 level.

Guysuco said the second crop's target would be linked to a special production incentives scheme providing for workers to receive an additional day's pay whenever their respective sugar estates attain or surpass weekly production targets.

Industrial action and bad weather severely hampered the corporation's out-of-crop maintenance programme at the eight sugar factories. As a result, some factories will not begin operations on schedule. Also, the threat of industrial action looms unless Guysuco and the three unions representing sugar workers are able to conclude negotiations on a new wage agreement for this year.

Suriname

Netherlands Lacks Confidence in Development Policy

*FL2407181390 Paramaribo International Service
in English 1730 GMT 24 Jul 90*

[Text] The Dutch minister of development cooperation, Jan Pronk, declared yesterday that his government has no confidence in the development policy of Suriname. Arrangements have not been honored and for this reason, Holland has taken a hard-line attitude against Suriname, said Pronk during a press conference yesterday.

The Dutch minister, on his arrival in Suriname on Saturday last, denied that Holland was taking a hard policy against Suriname.

Pronk said yesterday that the drafting of an adjustment program, according to the model of the European Community, is a condition for the financing of Surinamese development projects by Holland. Holland will support Suriname to deal with the social consequences of the adjustment program, said Pronk yesterday.

The Dutch minister said the demand for the drafting of the adjustment program was made during the second top discussions between Suriname and Holland last year. In a declaration at the end of the discussions, however, nothing was mentioned of this condition. Pronk is, however, maintaining that since last year, Holland has demanded that Suriname formulate an adjustment program before the development fund can be released.

Albina Army Barracks Attacked by Rebels

*FL2407182290 Paramaribo International Service
in English 1730 GMT 24 Jul 90*

[Text] The National Army Barracks in Albina in the Marowijne District was last weekend attacked by a group of armed men. The men, who are suspected to be members of the Jungle Commando, shot at the barracks in the border town for some hours. According to an Army spokesman, the attack was repelled. There were no reports of casualties. At the end of last week, two soldiers were killed in the Patamacca area when the vehicle in which they were traveling ran into a mine.